

Registered number: 07980355
Charity number: 1147341

THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

CONTENTS

	Page
Reference and administrative details of the charity, its trustees and advisers	1
Trustees' report	2 - 6
Trustees' responsibilities statement	7
Independent auditors' report	8 - 9
Statement of financial activities	10
Balance sheet	11
Cash flow statement	12
Notes to the financial statements	13 - 23

THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2015**

Trustees

David Lumley, Chairman
Novak Djokovic
Jelena Djokovic

Company registered number

07980355

Charity registered number

1147341

Registered office

16 Old Bailey, London, EC4M 7EG

Chief executive officer

Alberto Lidji

Independent auditors

Lewis Evans Partnership LLP, The Oaks, 3 Village Road, West Kirby, Merseyside, CH48 3JN

Bankers

Adam & Company plc, 22 King Street, London, SW1Y 6QY

Solicitors

Withers LLP, 16 Old Bailey, London, EC4M 7EG

THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of The Novak Djokovic Foundation (UK) Limited (the charity) for the year ended 31 December 2015. The Trustees confirm that the Annual report and financial statements of the charity comply with the current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Since the charity qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Objectives and Activities

a. Policies and objectives

The general objects of the charity are:

- The advancement and furtherance of education anywhere in the world;
- The prevention or relief of poverty or financial hardship anywhere in the world by providing or assisting in the provision of education, training, healthcare projects and all the necessary support designed to enable individuals to generate a sustainable income and be self-sufficient;
- The relief of sickness and the preservation of health among people anywhere in the world; and
- The promotion of such other purposes being exclusively charitable according to the law of England and Wales as the Trustees may from time to time determine.

b. Strategies for achieving objectives

The charity furthers its charitable purposes for the public benefit through its grant making policy. The main focus of this policy is to award grants to fund organisations and projects that promote early childhood education and the development of young children who are from disadvantaged backgrounds. The Trustees' intention is that by investing in these children and helping them to reach their full potential they will be able to bring positive changes to their communities in the future.

The Trustees ensure that all grantees are given clear guidance as to the exclusively charitable purposes for which the grant funds are to be applied and also seek to satisfy themselves that each grant aims to provide an identifiable benefit to the public or a significant section of the public in furthering the objects of the charity. The Trustees have regard to the Charity Commission's guidance on public benefit to ensure that the statutory public benefit requirement is met.

c. Activities for achieving objectives

The charity receives donations from its Founder, Novak Djokovic, and members of the public, as well as funds raised through various fundraising events and initiatives. These funds are principally invested in projects for public benefit in Serbia and the Trustees' particular focus is on promoting the education, health and development of pre school children living in disadvantaged communities.

The charity achieves its objectives by making grants to other organisations whose projects for charitable works are consistent with the charity's grant making policies.

THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2015

Achievements and performance

a. Key financial performance indicators

There are various financial performance indicators used by the Foundation. Monthly management accounts are presented to the senior management, showing both consolidated and regional performance. Reserves, investment performance, income and expenditure, and variance from any budgeted figures are checked regularly. Checks are also conducted to ensure ongoing project activity and fixed costs are appropriate for existing reserves. Subsequent to the 2015 financial year, a formal Investments and Reserves Policy was approved by the Trustees.

b. Review of activities

The Foundation made grants to The Novak Djokovic Foundation in Serbia ('NDF Serbia') during the 2015 financial year, including £200,000 to support the Schools of Life program and £26,711 to assist in the flood relief initiative. Exploratory conversations were also held with the Melbourne City Mission, Australia, which resulted in an AUD \$20,000 grant being made to them in early 2016. The Foundation has also been actively strengthening its human capital, technology and governance. It recruited a new Global Chief Executive Officer in 2015, rolled out a new website, began to craft a set of governance policies, which were passed in May 2016, deployed the Salesforce CRM platform, and set up financial management tools to provide senior management with enhanced visibility. Externally, the Foundation signed an MOU with the World Bank, heralding collaboration for joint advocacy in support of early childhood development, globally, and also was privileged to have its Founder, Novak Djokovic, elevated to the role of international UNICEF Goodwill Ambassador.

c. Fundraising activities/Income generation

The Foundation is thankful for the generous USD \$3 million donation from Mr and Mrs Novak Djokovic. The Foundation strengthened its donor management capabilities by deploying the Salesforce CRM platform and the Stripe online donation payment gateway system. Preliminary conversations were also started in relation to a Gala Dinner planned for 2016.

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the charity 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 financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

b. Principal risks and uncertainties

Key risks identified by the Foundation focus primarily on monitoring projects in the frontlines and matters pertaining to reputation risk. The Foundation has donated over £200,000 to NDF Serbia and, therefore, regular conversations take place with the management team at NDF Serbia. The project management team in Serbia also provide regular updates on project progress and relevant data. Reputation risk is also an important consideration, keeping in mind the high profile of the Founder, Novak Djokovic. In order to address this matter, the Foundation has retained the services of public relations firm, Edelman, the services of Ballamy & Co for donor due diligence checks, and subsequent to the 2015 financial year, the Board passed various policies in May 2016, in relation to Risk, Investment and Reserves and Conflict of Interests, among others. The financial reserves are relatively strong, covering in excess of 12 months' operational activity.

THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2015

c. Reserves policy

The Trustees recognise that determining the level of reserves to be held by the Foundation is an important part of their financial management duties. 'Income reserves' are defined as 'that part of a charity's income funds that is freely available for its general purposes', which normally excludes (a) permanent endowment; (b) expendable endowment funds; (c) restricted income funds; and (d) any part of unrestricted funds not readily available for spending.

The Trustees are aware that they are under a legal duty to apply the income of the Foundation's funds within a reasonable time of receipt. However, the Trustees have the power, under article 16.1(c) of the Articles of Association of the Foundation, 'to reserve funds for special purposes or against future expenditure'.

As part of their reserves policy, the Trustees aim:

- to ensure that any income is held in reserve for a justified reason;
- to maintain sufficient reserves in order to fulfil future expected funding requirements of projects or grants that extend over several years;
- to ensure there is enough reserved funds to cover any known liabilities;
- to review the level of reserves every year; and
- to ensure the level of reserves held are in the Foundation's best interests.

An analysis of the reserves held at the year end is included within note 18 of the financial statements.

d. Principal funding

Mr and Mrs Novak Djokovic were the principal source of funding, generously making a donation of USD \$3 million to the Foundation, which qualified for Gift Aid. In previous years, the Foundation held a highly successful Gala Dinner in London, and NDF USA has held two successful Gala Dinners in New York City. The Foundation is also a beneficiary from the fundraising Gala Dinner held in Milan, Italy, in September 2016 on the Eve of Milan Fashion Week. This Gala was hosted by Novak Djokovic and was attended by celebrities including Giorgio Armani, Anna Wintour and Serena Williams.

e. Material investments policy

Subsequent to the end of the 2015 financial year, the Trustees passed an Investment and Reserves Policy in May 2016. An objective for 2016 and the foreseeable future is the setting up of an endowment in support of the Foundation, to help ensure the Foundation thrives and continues to make a difference for decades to come. Throughout 2015, the Foundation's reserves have mainly been held in cash with the private bank Adam & Co.

THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2015

Structure, governance and management

a. Constitution

The charity is registered as a members' limited liability company and was incorporated on 7 March 2012. The charity is constituted under its Memorandum and Articles of Association and is a registered charity number 1147341.

In the event of the charity being wound up, any surplus assets remaining after the satisfaction of all debts and liabilities may not be paid to or distributed among the members, but must be transferred to such other charitable institution or institutions having objects similar to the objects of the charity.

There have been no changes in the objects of the charity since the last Trustees' report.

b. Method of appointment or election of Trustees

The directors of the company are also charity Trustees for the purposes of charity law. The management of the charity is the responsibility of the Trustees who are elected and co opted under the terms of the Articles of Association.

The number of Trustees shall not be less than three and the Trustees are appointed by resolution of a meeting of the Trustees or by written resolution signed by all the Trustees. Under the requirements of the Articles of Association, Trustees are elected to serve for a period of three years after which they must be re-elected.

c. Policies adopted for the induction and training of Trustees

The Trustees are satisfied that they have put in place satisfactory procedures concerning the proper governance and management and decision making of the charity, including the induction and training of Trustees.

d. Pay policy for senior staff

Board members discuss senior staff remuneration as required.

e. Organisational structure and decision making

The Foundation's Global CEO is based in London and reports directly to Jelena Djokovic, a Trustee of the Foundation. There is close interaction between the Board of Trustees and the Global CEO. Moreover, the Foundation's Board of Trustees is in frequent contact with the Board of Directors of NDF USA.

f. Related party relationships

The charity is a wholly owned subsidiary of the Novak Djokovic Foundation ('NDF USA'), a charity founded in the USA. The Novak Djokovic Foundation (Serbia), a charity founded in Serbia, is also a related party for the purposes of these accounts.

g. Risk management

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2015

Plans for future periods

a. Future developments

The Foundation made a AUD \$20,000 grant to the Melbourne City Mission, Australia, in early 2016, and another grant to Centro Mater in Miami, USA, of USD \$20,000. Our Founder, Novak Djokovic, personally visited both organisations in Australia and the USA to help focus attention to their charitable work and draw the attention of local policymakers to the importance of early childhood education and development. Two signed tennis racquets were donated to the Gracious Heart Foundation and to Small Steps, both based in London, UK. Further charitable engagement is being reviewed for 2016 and future years.

The Foundation is actively exploring opportunities to develop and improve. In 2016, the Foundation commenced work to establish its own intellectual property (IP) offering, which would enable teachers and other charities to use this IP for the benefit of young children. The nature of this IP is in the research and development phase. The Foundation is also exploring ways through which it can improve the body of knowledge around early childhood education. In pursuit of this objective, it is in contact with one of the world's foremost universities to establish a Djokovic Fellowship Program, which may cater to PhD students, postdoctoral researchers or mid-career professionals. The Foundation will continue to support project work in Serbia and, moreover, will aim to showcase the work being carried out in Serbia so that policymakers and other organisations across the world can draw lessons from this work. The Foundation will also continue its international advocacy, building on its relationships with UNICEF and the World Bank.

Financially, the Foundation is looking to establish an endowment, so as to provide a strong footing for the wellbeing of the Foundation in decades to come.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Auditors

The auditors, Lewis Evans Partnership LLP, have indicated their willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees.

This report was approved by the Trustees on 28 September 2016 and signed on their behalf by:



David Lumley

THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

TRUSTEES' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

The Trustees (who are also directors of The Novak Djokovic Foundation (UK) Limited for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

We have audited the financial statements of The Novak Djokovic Foundation (UK) Limited for the year ended 31 December 2015 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the charitable company's Trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's Trustees those matters we are required to state to them in an Auditors' 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 charitable company and its Trustees, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of Trustees and auditors

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

The Trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under section 144 of the Charities Act 2011 and report to you in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standards - Provisions Available for Small Entities, in the following circumstances:

- In common with many other businesses of this size and nature, the charitable company uses our firm to assist with the preparation of the financial statements.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE NOVAK DJOKOVIC FOUNDATION
(UK) LIMITED

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2015 and of its incoming resources and application of resources, including its 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 2006.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.



Lewis Evans Partnership LLP

Statutory Auditor

The Oaks
3 Village Road
West Kirby
Merseyside
CH48 3JN
Date: 28 September 2016

Lewis Evans Partnership LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Income from:					
Donations and legacies	2	2,553,185	-	2,553,185	33,075
Investments	3	341	-	341	250
Other income	4	17,264	-	17,264	-
Total income		2,570,790	-	2,570,790	33,325
Expenditure on:					
Raising funds	5	17,897	-	17,897	-
Charitable activities	7,9	237,585	26,711	264,296	50,025
Total expenditure	10	255,482	26,711	282,193	50,025
Net income / (expenditure) before investment gains		2,315,308	(26,711)	2,288,597	(16,700)
Net gains on investments		6,945	-	6,945	-
Net income / (expenditure)		2,322,253	(26,711)	2,295,542	(16,700)
Net movement in funds		2,322,253	(26,711)	2,295,542	(16,700)
Reconciliation of funds:					
Total funds at 1 January 2015		366,566	26,711	393,277	409,977
Total funds at 31 December 2015		2,688,819	-	2,688,819	393,277

All activities relate to continuing operations.

The notes on pages 13 to 23 form part of these financial statements.

THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED
REGISTERED NUMBER: 07980355

BALANCE SHEET
AS AT 31 DECEMBER 2015

	Note	£	2015 £	£	2014 £
Current assets					
Debtors	15	602,159		42,899	
Cash at bank and in hand		2,105,756		355,539	
		<u>2,707,915</u>		<u>398,438</u>	
Creditors: amounts falling due within one year	16	(19,096)		(5,161)	
Net current assets			<u>2,688,819</u>		<u>393,277</u>
Net assets			<u>2,688,819</u>		<u>393,277</u>
Charity Funds					
Restricted funds	18		-		26,711
Unrestricted funds:					
Share capital	17	100		100	
Unrestricted income funds	18	2,688,719		366,466	
Total unrestricted funds			<u>2,688,819</u>		<u>366,566</u>
Shareholders' and Charity's funds			<u>2,688,819</u>		<u>393,277</u>

The Trustees consider that the charity is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the charity to obtain an audit for the year in question in accordance with section 476 of the Act. However, an audit is required in accordance with section 144 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The financial statements were approved by the Trustees on 28 September 2016 and signed on their behalf, by:


David Lumley

The notes on pages 13 to 23 form part of these financial statements.

THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	2015 £	2014 £
Cash flows from operating activities			
Net cash provided by operating activities	20	<u>1,749,876</u>	<u>2,192</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		<u>341</u>	<u>250</u>
Net cash provided by investing activities		<u>341</u>	<u>250</u>
Change in cash and cash equivalents in the year	21	<u>1,750,217</u>	<u>2,442</u>
Cash and cash equivalents brought forward		<u>355,539</u>	<u>353,097</u>
Cash and cash equivalents carried forward	21	<u><u>2,105,756</u></u>	<u><u>355,539</u></u>

THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006

The Novak Djokovic Foundation (UK) Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 Reconciliation with previous Generally Accepted Accounting Practice

In preparing these accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

No restatements were required as the policies applied under the charity's previous accounting framework were not materially different.

1.3 Company status

The charity is a limited liability company and the issued share capital is held by the Novak Djokovic Foundation (USA), a charity registered in the USA. In the event of the charity being wound up, any surplus assets remaining after the satisfaction of all its debts and liabilities must be given or transferred to such other charitable institution or institutions having similar objects.

1.4 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. Accounting policies (continued)

1.5 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the charity of the item is probable and that economic benefit can be measured reliably.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

1.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings..

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at Head Office. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

1.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1. Accounting policies (continued)

1.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount repaid net of any trade discounts due.

1.9 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.10 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.11 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.12 Pensions

The charity contributes to personal pension plans for employees. The pension charge represents the amounts payable by the charity to the funds in respect of the year.

2. Income from donations and legacies

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Donations - General funds	2,553,185	-	2,553,185	5,886
Donations - Restricted funds	-	-	-	27,189
Total donations and legacies	<u>2,553,185</u>	<u>-</u>	<u>2,553,185</u>	<u>33,075</u>

THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

3. Investment income

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Investment income - interest receivable	341	-	341	250

4. Other incoming resources

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Other income	17,264	-	17,264	-

Income of £17,264 (2014: £Nil) has been generated in the year from management and administrative services provided to the Novak Djokovic Foundation (USA).

5. Raising funds

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Support costs - fundraising	17,897	-	17,897	-

6. Analysis of grants

	Grants to Institutions 2015 £	Total 2015 £	Total 2014 £
Schools of Life Project	200,000	200,000	-
Serbia Flood Relief	26,711	26,711	-
Total	226,711	226,711	-

A grant of £200,000 (2014: £Nil) was awarded to The Novak Djokovic Foundation (Serbia) to support the Schools of Life project, building or refurbishing schools in economically challenged areas.

A grant of £26,711 (2014: £Nil) was also made to the The Novak Djokovic Foundation (Serbia) to help finance flood relief efforts in Serbia following the devastating floods in May 2014.

THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

7. Analysis of expenditure on charitable activities

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Schools of Life Project - grant	200,000	-	200,000	-
Serbia Flood Relief - grant	-	26,711	26,711	-
Support costs - charitable activities	11,508	-	11,508	-
	<u>211,508</u>	<u>26,711</u>	<u>238,219</u>	<u>-</u>

8. Support costs

	Basis of Allocation	Fundraising costs £	Governance £	Grants to Institutions £	Total 2015 £	Total 2014 £
PR, media & website costs	Fundraising	6,387	-	-	6,387	-
Computer & software	Governance	-	20	-	20	-
Travel, hotels & subsistence	Allocated on time	467	467	468	1,402	-
Entertainment	Allocated on time	44	44	43	131	-
Printing, postage & stationery	Governance	-	101	-	101	-
Wages and salaries	Allocated on time	9,994	9,994	9,993	29,981	-
National insurance	Allocated on time	588	588	588	1,764	-
Pension cost	Allocated on time	417	417	416	1,250	-
		<u>17,897</u>	<u>11,631</u>	<u>11,508</u>	<u>41,036</u>	<u>-</u>

THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

9. Governance costs

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Accountancy fees	4,800	-	4,800	6,000
Auditors' remuneration	6,600	-	6,600	3,500
Governance Auditors' non audit costs	1,500	-	1,500	-
Legal and professional fees	26,590	-	26,590	32,952
Legal and professional recharge (note 22)	(25,881)	-	(25,881)	-
Other administrative charges - unrestricted	837	-	837	7,095
Other administrative charges - restricted	-	-	-	478
Support costs - governance	632	-	632	-
Wages and salaries	10,999	-	10,999	-
	<u>26,077</u>	<u>-</u>	<u>26,077</u>	<u>50,025</u>

10. Analysis of resources expended by expenditure type

	Staff costs 2015 £	Other costs 2015 £	Total 2015 £	Total 2014 £
Expenditure on raising voluntary income	10,999	6,898	17,897	-
Costs of generating funds	<u>10,999</u>	<u>6,898</u>	<u>17,897</u>	<u>-</u>
Schools of Life Project	-	200,000	200,000	-
Serbia Flood Relief	-	26,711	26,711	-
Support costs - charitable activities	10,997	511	11,508	-
Charitable activities	<u>10,997</u>	<u>227,222</u>	<u>238,219</u>	<u>-</u>
Expenditure on governance	<u>10,999</u>	<u>15,078</u>	<u>26,077</u>	<u>50,025</u>
	<u>32,995</u>	<u>249,198</u>	<u>282,193</u>	<u>50,025</u>

THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

11. Analysis of resources expended by activities

	Grant funding of activities 2015 £	Support costs 2015 £	Total 2015 £	Total 2014 £
Schools of Life Project	200,000	-	200,000	-
Serbia Flood Relief	26,711	-	26,711	-
Support costs - charitable activities	-	11,508	11,508	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total	226,711	11,508	238,219	-
	<hr/>	<hr/>	<hr/>	<hr/>

12. Net incoming resources/(resources expended)

This is stated after charging:

	2015 £	2014 £
Auditors' remuneration	6,600	3,500
Auditors' remuneration - non-audit	1,500	-
	<hr/>	<hr/>

During the year, no Trustees received any remuneration (2014 - £NIL).

During the year, no Trustees received any benefits in kind (2014 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2014 - £NIL).

See also note 22 for related party transactions.

13. Auditors' remuneration

The Auditor's remuneration accounted for in the year includes audit fees in respect of the current year of £4,200 and fees paid for in respect of the prior year of £2,400, inclusive of VAT.

THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

14. Staff costs

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	29,981	-
Social security costs	1,764	-
Other pension costs	1,250	-
	<u>32,995</u>	<u>-</u>

The average monthly number of employees was: 1 (2014: -) and the average monthly number of employees during the year expressed as full time equivalents was as follows (including casual and part-time staff):

	2015 No.	2014 No.
Chief Executive Officer	<u>1</u>	<u>0</u>

The number of higher paid employees was:

	2015 No.	2014 No.
In the band £90,001 - £100,000	<u>1</u>	<u>0</u>

The Chief Executive Officer commenced employment in September 2015.

15. Debtors

	2015 £	2014 £
Amounts owed by group undertakings	83,233	42,588
Prepayments and accrued income	13,978	-
Tax recoverable	504,948	311
	<u>602,159</u>	<u>42,899</u>

Amounts owed by group undertakings relate to amounts due at the year end from the Novak Djokovic Foundation (USA).

THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

16. Creditors: Amounts falling due within one year

	2015 £	2014 £
Other taxation and social security	4,726	-
Other creditors	750	-
Accruals and deferred income	13,620	5,161
	<u>19,096</u>	<u>5,161</u>

17. Share capital

	2015 £	2014 £
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

18. Statement of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds					
General fund	366,466	43,697	(255,482)	-	154,681
Novak Djokovic donation fund	-	2,527,093	-	6,945	2,534,038
Share capital	100	-	-	-	100
	<u>366,566</u>	<u>2,570,790</u>	<u>(255,482)</u>	<u>6,945</u>	<u>2,688,819</u>
Restricted funds					
Serbia Flood Relief	<u>26,711</u>	<u>-</u>	<u>(26,711)</u>	<u>-</u>	<u>-</u>
Total of funds	<u>393,277</u>	<u>2,570,790</u>	<u>(282,193)</u>	<u>6,945</u>	<u>2,688,819</u>

THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

18. Statement of funds (continued)

Summary of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Gains/ (Losses) £	Carried Forward £
General funds	366,566	2,570,790	(255,482)	6,945	2,688,819
Restricted funds	26,711	-	(26,711)	-	-
	<u>393,277</u>	<u>2,570,790</u>	<u>(282,193)</u>	<u>6,945</u>	<u>2,688,819</u>

The Trustees have created a separate Novak Djokovic donation fund for the \$3 million donation from its Founder, Novak Djokovic, made in December 2015. Where possible, the Trustees have decided to meet all future governance costs from this unrestricted fund.

19. Analysis of net assets between funds

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Current assets	2,707,915	-	2,707,915	398,438
Creditors due within one year	(19,096)	-	(19,096)	(5,161)
	<u>2,688,819</u>	<u>-</u>	<u>2,688,819</u>	<u>393,277</u>

20. Reconciliation of net movement in funds to net cash flow from operating activities

	2015 £	2014 £
Net income/(expenditure) for the year (as per Statement of financial activities)	2,295,542	(16,700)
Adjustment for:		
Dividends, interest and rents from investments	(341)	(250)
(Increase)/decrease in debtors	(559,260)	13,981
Increase in creditors	13,935	5,161
Net cash provided by operating activities	<u>1,749,876</u>	<u>2,192</u>

21. Analysis of cash and cash equivalents

	2015 £	2014 £
Cash in hand	2,105,756	355,539
Total	<u>2,105,756</u>	<u>355,539</u>

THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

22. Related party transactions

Included within the accountancy fees in note 9 are amounts payable to Arena Wealth Partners LLP of £4,800 (2014: £6,000). Further charges of £Nil (2014: £4,875) were incurred from Arena Wealth Partners LLP in the year in respect of administration, and are included within other administrative charges. D P Lumley is a partner of Arena Wealth Partners LLP.

Legal and professional fees of £5,575 (2014: £20,306) have been incurred by the charity on behalf of the Novak Djokovic Foundation (USA). An agreed recharge of £25,881 has been made in the year in respect of these costs and is reflected within note 9.

A charge of £17,264 (2014: £Nil) for management and administrative services has also been made to the Novak Djokovic Foundation (USA) in respect of the year.

The amounts and details of grants awarded to The Novak Djokovic Foundation (Serbia), a related charity registered in Serbia, are included within note 6 of these financial statements.

23. Ultimate parent undertaking and controlling party

The ultimate parent undertaking and controlling party is the Novak Djokovic Foundation (USA), a charity registered in the USA.