

INDEPENDENT ACCOUNTANT'S AUDIT REPORT

To the Members of the Board

Associazione THE NOVAK DJOKOVIC FOUNDATION ONLUS

The undersigned Laura Torella, born in Monza (MB) on September 24th, 1973 (Tax Code TRLLRA73P64F704T) currently resident in Monza (MB), enrolled in the Monza Order of Chartered Accountants, at no. 1106A Section A, as from March 27th, 2000 and in the Register of Auditors, at no. 122123 March 27th, 2000, was entrusted to act as independent auditor for the accounting and tax audit of the Association "The Novak Djokovic Foundation ONLUS" (Tax Code 97753100151), with registered office in Milan, Piazza Missori n. 3 (hereinafter referred to as "the Entity").

The review hereby carried out by the undersigned, as summarized in this report, was advisable as the Entity belongs to a group of non-profit international charitable entities, all of which are run by the same person and subject to different local regulations – as applicable in the relevant countries - that differ substantially one another, with the aim of ensuring the maximum transparency vis-à-vis any third parties.

By accepting this appointment, the Auditor hereby declares that she is independent of the Board of Directors of the Entity and has no direct or indirect interest in any transactions concerning the Entity's business.

The auditing activity was carried out in keeping with the rules of conduct provided for in the document "Independent Control in Non-Profit Organizations and the Professional Contribution of the Accountant and Accounting Officer" recommended by the Italian National Council of Accountants and Auditors on February 16th, 2011.

I, the undersigned Auditor, have received all data, news and documentation from the Board of Directors of the Entity.

More specifically, the audit carried out the following accounting and tax audits:

A) ACCOUNTING AUDIT

The Auditor hereby assess as follows:

- the administrative organization is consistent with the size and type of the activity carried out;
- the administrative and accounting system duly represents the operations that have been performed;

- the accounting records are kept regularly and in accordance with the applicable legal regulations;
- the chart of accounts is set correctly pursuant to the type of activity and the nature of the institution;
- the budget complies with the content provided for non-profit entities, in particular the recommendations published by "Non-Profit Companies Commission" of the Italian National Council of Accountants and Auditors (CNDCEC) as well as the guidelines for the third sector prepared by the Italian ONLUS Agency;
- all accounting items were properly identified and proper transparency thereof was given;
- the evaluation criteria adopted for accounting purposes are appropriate; more precisely, the auditor monitored the composition of receivables and verified their chargeability;
- the accounting records are consistent with the figures resulting from the financial statements.

B) TAX AUDIT

The Auditor hereby assesses as follows:

- The Association "The Novak Djokovic Foundation ONLUS" is a non-recognized (*non riconosciuta*) Italian association, established on June 7th, 2016, which was granted by the Regional Directorate of Revenue of Lombardy formal registration with the ONLUS Single Registry on June 14th 2016 ;
- the Entity is regularly included in the updated online list of the Revenue Agency website;
- the Entity has the requirements to be qualified as ONLUS;
- the Entity operates in according with Legislative Decree 460/97, and lawfully uses the designation as ONLUS;
- the activity carried out by the Entity is compliant with the purposes set forth in its by-laws;
- the Entity's organization actually carries out the institutional activity envisaged in its by-laws;
- the Entity, as allowed by its by-laws, only carries out activities consistent with its institutional purposes;
- the ancillary activities carried out by the Entity are related to the institutional ones;
- said ancillary activities do not prevail over the institutional ones;
- income generated from the ancillary activities complies with the threshold of 66% over the total expenses sustained by the Entity;
- the Entity does not carry out any activities that are not provided for in its by-laws;
- the Entity pursues charitable and social solidarity purposes in accordance with the applicable regulations;
- the business sector (i.e. charity) falls within the sectors allowed by the regulations concerning Italian ONLUS;

- the Entity's by-laws are compliant with the provisions of art. 148, paragraph 8, of the Italian Tax Income Law and art. 5 of the Legislative Decree n. 460/1997;
- pursuant to art. 143, paragraph 3, para. A) of the Italian Tax Income Law , funds received by public collections are tax exempt;
- the accounting documents, in particular those relating to public fundraising, have been properly drafted in accordance with art. 20 of the Presidential Decree no. 600/1973;
- any revenues generated by the ONLUS management is used to achieve the Entity's institutional purposes;
- there is no indirect distribution of revenues;
- the Entity meets the requirements set by the law to maintain the status of a non-profit entity, accordingly the Entity is NOT subject to the scope of art. 149 of Italian Income Tax Law;
- the receipts and the other tax-related documents in connection with any cash donations made by both legal and natural persons have been appropriately issued and held;
- the costs incurred and budgeted as well as the related contracts in concern were verified by the undersigned auditor and were considered consistent with the activity carried out and with the events organized by the Entity.

The audit was carried out by acquiring all the necessary elements to assess whether the financial statements contain any material errors and are reliable.

The Entity's Directors responsible for preparing the financial statements are the Directors, who must provide a true and fair representation in accordance with the Italian rules governing the relevant drafting criteria.

With regard to the auditing, the work carried out provides a reasonable basis for the issuing of a professional judgment. In the opinion of the undersigned, there is no evidence to suggest that the financial statements fail to comply with the applicable accounting rules and to represent the balance sheet and the income statement for 2016 in a true and fair manner.

The audit also verified that the business carried out by the Entity, whose management responsibility is only attributable to its Directors, is compliant with the applicable Italian regulations in relation to ONLUS and that, in accordance with Article 10, Legislative Decree 460/97 and Resolution 292 / E of 2002, the Entity has not allocated any funds or assets for any non-charity purposes.

Monza, May 19th, 2017

The Accountant

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The Novak Djokovic Foundation ONLUS

RECLASSIFIED FINANCIAL STATEMENT FOR 2016

BALANCE SHEET ASSETS

		as at December 31° 2016
B) NON CURRENT ASSETS		(expressed in Euro)
I – intangible assets		€ -
	Total intangible assets	€ -
II – tangible assets		€ -
	Total tangible assets	€ -
III – financial assets		€ -
	Total financial assets	€ -
	TOTAL NON CURRENT ASSETS (B)	€ -
C) WORKING CAPITAL		
II – trade accounts receivables		
From others – ordinary income		€ 34.772
	Total receivables from third parties	€ 34.772
	TOTAL RECEIVABLES	€ 34.772
IV – Current Cash on Bank account		€ 340.640
	Total Current Cash	€ 340.640
	TOTALE WORKING CAPITAL (C)	€ 375.411
	TOTAL ASSETS	€ 375.411



The Novak Djokovic Foundation ONLUS

BALANCE SHEET LIABILITIES

A) NET WORTH EQUITY

Endowment fund	€	-
Retained profits	€	-
Results	€	-
TOTAL NET WORTH EQUITY	€	359.699
	€	359.699

D) DEBITS

7) Account payable:

Payables	€	13.100
Invoices yet to receive	€	2.612
	€	15.712

TOTAL DEBITS	€	15.712
TOTAL LIABILITIES	€	375.411

Milan, 20th April 2017

THE LEGAL REPRESENTATIVE



The Novak Djokovic Foundation ONLUS

INCOME STATEMENT FOR 2016

	As at 31/12/2016 (in Euro)	
A) REVENUES AND INCOME		
I – From institutional activity		
"Gala Dinner" event	€	402.000
Online auction income	€	54.772
Lice auction income	€	229.000
Other donations	€	1.100
Totale proventi da attività istituzionale	€	686.872
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TOTAL REVENUES AND INCOME (A)	€	686.872
B) ORDINARY COSTS		
7) From services:		
Auction fee	€	13.100
Management costs for Gala Dinner	€	310.748
Tax and management consultancy	€	2.612
Bank charges	€	725
Total costs from services	€	327.185
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TOTAL ORDINARY COSTS (B)	€	327.185
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NET INCOME (A-B)	€	359.687
C) FINANCIAL INCOME AND COSTS		
16) Various financial income		
Bank interest income	€	12
Total financial income	€	12
17) Various financial costs		
Total financial costs	€	-
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Total financial incomes and costs (C)	€	12
INCOME BEFORE TAX	€	359.699
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22) Applicable taxes	€	-
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26) INCOME AFTER TAX	€	359.699

Milan, 20th April 2017

THE LEGAL REPRESENTATIVE