

## INDEPENDENT ACCOUNTANT'S AUDIT REPORT

*To the Members of the Board*

*Associazione THE NOVAK DJOKOVIC FOUNDATION ONLUS*

The undersigned Roberto Bonomi, born in Bergamo (BG) on April 16<sup>th</sup>, 1986 (Tax Code BNMRR86D16A794C) currently resident in Milano (MI), enrolled in the Milan Order of Chartered Professional Accountants, at no. 8887 Section A, as from November 20<sup>th</sup>, 2013 and in the Register of Auditors, at no. 172972 as from July 3<sup>rd</sup> 2014, 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, Via Durini n. 18 (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 from 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 he is independent of the Board of Directors of the Entity and has no direct interest in any transactions concerning the Entity's business.

The auditing activity was carried out pursuant to the rules of conduct provided for in the document "Independent Control for Non-Profit Organizations and the Professional Contribution of the Chartered Professional Accountant and Accounting Officer" recommended by the Italian National Council of Accountants and Auditors on February 16<sup>th</sup>, 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 financial statements comply with the content provided for non-profit entities, in particular with the recommendations published by "Non-Profit Companies Commission" of the Italian National Council of Accountants and Auditors (CNDCEC) as well as with 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 7<sup>th</sup>, 2016, which was granted by the Regional Directorate of Revenue of Lombardy the formal registration with the ONLUS Registry on June 14<sup>th</sup> 2016 ;
- the Entity is regularly included in the updated online list of the Revenue Agency website;
- the Entity has all the requirements to qualify as ONLUS;
- the Entity operates in accordance 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 activity carried out by the Entity (i.e. charity) falls within those 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 Income Tax 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 forth 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 were verified by the undersigned auditor and were considered consistent with the activity carried out by the Entity.

### C) DONATIONS

For the sake of completeness, the Auditor assessed donations made to The Novak Djokovic Foundation ONLUS in FY 2018 for a total amount of EUR 102,100 (one hundred-two thousand//hundred).

Such donations were duly recorded in the Profit and Loss Account for FY 2018 and the Auditor was provided with sufficient supporting documentation.

The aforementioned donations were transferred to the Novak Djokovic Foundation for the support and implementation of social solidarity projects, in compliance with the provisions of the by-laws. The Auditor was provided with sufficient and adequate supporting documentation.

\* \* \*

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 2018 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.

Milan, 30 April 2019



The Chartered Professional Accountant

Roberto Bonomi

**SIMPLIFIED FINANCIAL STATEMENT 2018****BALANCE SHEET ASSETS**

	<b>At 31/12/2018</b>	<b>At 31/12/2017</b>
	<b>(values expressed in Euros)</b>	<b>(values expressed in Euros)</b>
<b>B) FIXED ASSETS</b>		
I – Intangible assets	€ -	€ -
<b>Total intangible assets</b>	<b>€ -</b>	<b>€ -</b>
II – Tangible assets	€ -	€ -
<b>Total tangible assets</b>	<b>€ -</b>	<b>€ -</b>
II – Financial assets	€ -	€ -
<b>Total financial assets</b>	<b>€ -</b>	<b>€ -</b>
<b>TOTAL FIXED ASSETS (B)</b>	<b>€ -</b>	<b>€ -</b>
<b>C) CURRENT ASSETS</b>		
II – Debtors		
Trade debtors		€ 2.652
Other debtors		
Various debtors – ordinary proceeds	€ 2.730	€ 2.730
<b>Total debtors</b>	<b>€ 2.730</b>	<b>€ 5.382</b>
<b>TOTAL DEBTORS</b>	<b>€ 2.730</b>	<b>€ 5.382</b>
IV – Cash in bank and in hand		
Bank account	€ 337.988	€ 260.853
<b>Total cash in bank and in hand</b>	<b>€ 337.988</b>	<b>€ 260.853</b>
<b>TOTAL CURRENT ASSETS (C)</b>	<b>€ 340.718</b>	<b>€ 266.235</b>
<b>TOTAL ASSETS</b>	<b>€ 340.718</b>	<b>€ 266.235</b>

**BALANCE SHEET LIABILITIES**

## A) CAPITAL AND RESERVES

Endowment fund	€	-	€	-
Retained profits	€	266.235	€	359.699
Profit for the financial year	€	69.256	- €	93.464
<b>TOTAL CAPITAL AND RESERVES</b>	<b>€</b>	<b>335.491</b>	<b>€</b>	<b>266.235</b>

## D) CREDITORS

## 7) Trade creditors:

Suppliers	€	-	€	-
Invoices to be received	€	5.227	€	-
<b>Total trade creditors</b>	<b>€</b>	<b>5.227</b>	<b>€</b>	<b>-</b>
<b>TOTAL CREDITORS</b>	<b>€</b>	<b>5.227</b>	<b>€</b>	<b>-</b>

<b>TOTAL LIABILITIES</b>	<b>€</b>	<b>340.718</b>	<b>€</b>	<b>266.235</b>
--------------------------	----------	----------------	----------	----------------

**SIMPLIFIED FINANCIAL STATEMENT 2018****INCOME STATEMENT**

	<b>at 31/12/2018</b> <b>(values expressed</b> <b>in Euros)</b>	<b>at 31/12/2017</b> <b>(values expressed</b> <b>in Euros)</b>
<b>A) OPERATING PROFIT</b>		
<b>I – From ordinary activity</b>		
Event "Gala Dinner"	€ -	€ 5.341
Proceeds from on-line auction	€ -	€ -
Proceeds from assets' auction	€ -	€ -
Other donations	€ 102.100	€ 50
<b>Total ordinary activity proceeds</b>	<b>€ 102.100</b>	<b>€ 5.391</b>
<b><u>TOTAL OPERATING PROFIT (A)</u></b>	<b>€ 102.100</b>	<b>€ 5.391</b>
<b>B) OPERATING LOSS</b>		
7) Services:		
Auction house fees	€ -	€ -
Gala Dinner organization costs	€ -	€ -
Legal consultancy fees	€ -	€ 32.176
Audit fees	€ -	€ 5.710
Tax and management consultancy	€ 2.538	€ 2.689
Donations	€ 30.000	€ 32.000
Bank charges	€ 306	€ 303
<b>Total services costs</b>	<b>€ 32.844</b>	<b>€ 72.878</b>
14) Other operating loss:		
Extraordinary expenditures	€ -	€ 26.000
<b>Total other operating loss</b>	<b>€ -</b>	<b>€ 26.000</b>
<b><u>TOTAL OPERATING LOSS (B)</u></b>	<b>€ 32.844</b>	<b>€ 98.878</b>
<b><u>DIFFERENCE BETWEEN PROFIT AND LOSS (A-B)</u></b>	<b>€ 69.256</b>	<b>- € 93.486</b>
<b>C) FINANCIAL INCOMES AND EXPENSES</b>		
16) Other financial incomes		
Bank interest incomes	€ -	€ 22
<b>Total other financial incomes</b>	<b>€ -</b>	<b>€ 22</b>
17) Other financial expenses		
<b>Total other financial expenses</b>	<b>€ -</b>	<b>€ -</b>
<b><u>TOTAL FINANCIAL INCOMES AND EXPENSES (C)</u></b>	<b>€ -</b>	<b>€ 22</b>
<b><u>PROFIT BEFORE TAXATION</u></b>	<b>€ 69.256</b>	<b>- € 93.464</b>
<b><u>20) Tax on profit</u></b>	<b>€ -</b>	<b>€ -</b>
<b>21) PROFIT FOR THE FINANCIAL YEAR</b>	<b>€ 69.256</b>	<b>- € 93.464</b>