

Registered number: 07980355
Charity number: 1147341

THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

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THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2016**

Trustees

Novak Djokovic
Jelena Djokovic
David Lumley

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 2016

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 2016. 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 and to fund research to fill the gaps in the body of academic knowledge in early childhood development. 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 2016

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. During the 2016 financial year a formal Investments and Reserves Policy was approved by the Trustees.

b. Review of activities

Various philanthropic projects and activities were supported by the Foundation internationally and in Serbia during 2016. In March 2016, HRH The Duchess of Cornwall visited the Family Outreach Worker Program in Serbia, jointly implemented by the Novak Djokovic Foundation in Serbia, UNICEF and the Government of Serbia. This three-year project is aimed at strengthening families that are at risk and preventing the separation of children from their families.

2016 was an exciting year for the Foundation and heralded a new relationship with Harvard University and their Center on the Developing Child -- one of the leading centres of research and academic excellence in Early Childhood Development and Education. In 2016, the Djokovic Science and Innovation Fellowship was launched at Harvard University, supporting four Djokovic Fellows annually, who are advanced doctoral students researching various components of Early Childhood Development. The inaugural cohort of Djokovic Fellows were selected in early 2017 and will commence their Fellowship in September 2017. The focus of this initiative is to help fill the gaps in the body of academic knowledge in the field of Early Childhood Development and to inspire the future generation of leaders in this field. Another cohort of four Djokovic Fellows will be identified in early 2018 and will commence their work in September 2018. In addition to their outstanding research, the inaugural cohort of Djokovic Fellows are sharing their experiences with our Foundation's staff and are also contributing thought pieces in the form of blog posts on the Foundation's website which, in turn, enable the Foundation to disseminate their insights to a broad and global audience.

The charitable work of The Novak Djokovic Foundation, Serbia ('NDF Serbia') was supported by the Foundation, both through grants to cover core administrative costs and projects. One particular project supported by the Foundation is The Original Magazine, which is aimed at young adults and supports the vision of universal access to quality education. The magazine has managed to secure excellent content by interviewing and featuring global leaders, including Sir Richard Branson (founder of the Virgin Group), Dame Anna Wintour (editor in chief of Vogue), Dr Jim Kim (president of the World Bank) and Arianna Huffington (founder of the Huffington Post).

Other projects undertaken by NDF Serbia during 2016 include the Schools of Life strategic initiative that establishes schools for children to learn and play, and the Friendship Games, which is a week-long retreat in the Serbian countryside for disadvantaged children to gain exposure to skills and knowledge (e.g. water safety, healthy eating) they would not likely obtain elsewhere.

Internationally, the Foundation made grants to the Melbourne City Mission in Australia, Centro Mater in the United States, and supported the Gracious Heart Foundation and the Small Steps SFP in the United Kingdom.

The grant to the Melbourne City Mission made possible a playgroup program providing weekly sessions during 4 school terms at two sites, Braybrook and Doreen. This program engaged with some of the most isolated and marginalised children. In addition to the financial support provided by the Foundation to the Melbourne City Mission, Novak Djokovic personally visited the Braybrook Centre the day after winning the 2016 Australian Open. His public appearance attracted high media coverage and shed light on the value of Early Childhood Education for disadvantaged children.

THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2016

The grant to Centro Mater in Miami, USA, made possible summer camp scholarships to 20 preschool age children to attend the Centro Mater Summer Wellness Camp free of charge. The program provides activities that foster the children's emotional, cognitive and social development within a nurturing environment. In addition to the financial support provided by the Foundation to Centro Mater, Novak Djokovic personally visited the program to meet with children, parents and teachers -- a public appearance that attracted media coverage and focused public attention on the benefits of Early Childhood Education for disadvantaged children.

c. Fundraising activities/Income generation

Diverse fundraising activities were pursued during 2016. The flagship fundraising event globally was the NDF Gala Dinner held in Milan, Italy, at Castello Sforzesco in September, the proceeds of which have been accounted for by The Novak Djokovic Foundation ONLUS, Italy ('NDF Italy'). The Gala was a resounding success and was attended by celebrities including Giorgio Armani, Anna Wintour and Serena Williams, among others. Novak and Jelena Djokovic hosted the star-studded Gala and a wonderful time was had by all in support of Early Childhood Development and Education.

In 2016, Stephen and Christine Schwarzman made a generous donation in support of the Novak Djokovic Foundation, USA ('NDF USA'). Mr Schwarzman is the founder, CEO and chairman of the Blackstone Group -- one of the largest private equity houses in the world. Mr and Mrs Schwarzman were also extremely generous in hosting an intimate soiree with family and friends in their New York City home to honour Novak Djokovic's achievements both on and off the court. It was a wonderful gathering that combined the joy of tennis with very touching philanthropic undertones.

To drive the philanthropic message forward and encourage further support, the inaugural NDF Donors Report was launched in 2016, providing a platform to increase awareness of the Foundation's philanthropic work, encourage donations from individuals and corporates alike, and to thank existing donors for their generous support.

In addition to the Donors Report, inroads were also made on the digital front, enabling a consistent level of online giving from donors from across the globe. The Fundraising function was also strengthened during the year, allocating specific individuals to this activity and embracing new systems in the process.

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 again provided grants 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, subscribes to Reuters World-Check platform - enabling it to check international sanctions lists and have used the services of Ballamy & Co for donor due diligence checks. The Board has passed various policies in May 2016 in relation to Risk, Investment and Reserves and Conflict of Interests, among others. The financial reserves are strong, covering in excess of 12 months' operational activity.

THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2016

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 \$1.5 million to the Foundation in 2016, which qualified for Gift Aid. During 2016, other private individuals have made major gift donations in support of our work and a \$1 million grant has also been received from NDF USA.

A Gala Dinner was held in Milan, Italy, and organised principally via the Novak Djokovic Foundation in Italy, in support of the Novak Djokovic Foundation globally. The Gala was hosted by Novak and Jelena Djokovic and was attended by celebrities including Giorgio Armani, Anna Wintour and Serena Williams. 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.

e. Material investments policy

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 expendable endowment in support of the Foundation, to help ensure the Foundation thrives and continues to make a difference for decades to come.

In 2016, the Foundation appointed Adam & Company as discretionary investment managers and £500,000 was invested during the year using an income and capital preservation strategy, with a further £1 million invested post year end. The Foundation's aim in investing its funds is to generate returns on capital in order to provide funds to further its charitable aims and to cover future core and administration costs. Investment performance is assessed by the Trustees with reference to benchmarks and targets and investment reports are reviewed internally on a quarterly basis.

THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2016

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, NDF Serbia and NDF ONLUS (Italy).

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) and The Novak Djokovic Foundation ONLUS (Italy) are charities founded in Serbia and Italy respectively which are treated as related parties 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 2016

Plans for future periods

a. Future developments

At the time of publishing this report, the Foundation had already made grants of over \$1.5 million in 2017, and continued to nurture its strong relationship with Harvard University and the Center on the Developing Child.

A Global Advisory Board was also established in 2017 and more information on this will be published in next year's report. The two initial members of the Global Advisory Board are Sir Geoffrey Owen (former editor-in-chief of the Financial Times and visiting Fellow at the London School of Economics' Department of Management) and Prof Jack Shonkoff (is the Julius B. Richmond FAMRI Professor of Child Health and Development at the Harvard T.H. Chan School of Public Health and the Harvard Graduate School of Education; Professor of Pediatrics at Harvard Medical School and Boston Children's Hospital; and Founding Director of the university-wide Center on the Developing Child at Harvard University)

The Foundation is actively exploring opportunities to develop and improve. In 2017, the Foundation will continue to explore establishing 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 will continue to support project work in Serbia and will aim to establish Serbia as a regional hub of excellence in Early Childhood Development and Education. The Foundation will also continue its international advocacy, building on its relationships with UNICEF and the World Bank.

Disclosure of information to auditors

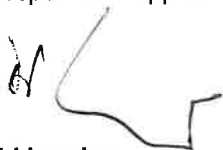
Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- 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 10 August 2017 and signed on their behalf by:



David Lumley
Trustee

THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

TRUSTEES' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

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 (FRS 102) 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 2016 which comprise the Statement of financial activities incorporating income and expenditure account, the Summary income and expenditure account, 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).

This report is made solely to the charitable company's members, 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 members 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 members, 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 charity 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 charity 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 charity'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 2016 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 charity 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

Lewis Evans Partnership LLP

Statutory Auditor

The Oaks
3 Village Road
West Kirby
Merseyside
CH48 3JN
10 August 2017

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 INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Income from:					
Donations and legacies	2	2,339,297	11,375	2,350,672	2,553,185
Interest income	3	1,661	-	1,661	341
Other income	4	30,677	-	30,677	17,264
Total income		2,371,635	11,375	2,383,010	2,570,790
Expenditure on:					
Raising funds	5	164,512	-	164,512	17,897
Charitable activities:					
Other charitable activities	7	589,744	-	589,744	238,219
Governance	9	80,149	-	80,149	26,077
Total expenditure	10	834,405	-	834,405	282,193
Net income before foreign exchange and investment gains		1,537,230	11,375	1,548,605	2,288,597
Net gains on foreign exchange and investments		453,217	-	453,217	6,945
Net income before other recognised gains and losses		1,990,447	11,375	2,001,822	2,295,542
Net movement in funds		1,990,447	11,375	2,001,822	2,295,542
Reconciliation of funds:					
Total funds brought forward		2,688,819	-	2,688,819	393,277
Total funds carried forward		4,679,266	11,375	4,690,641	2,688,819

All activities relate to continuing operations.

The notes on pages 15 to 29 form part of these financial statements.

THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

**SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Income		2,371,635	11,375	2,383,010	2,570,790
Net gains on foreign exchange and investments		453,217	-	453,217	6,945
Gross income in the reporting period		2,824,852	11,375	2,836,227	2,577,735
Less: Total expenditure		834,405	-	834,405	282,193
Net income for the year		1,990,447	11,375	2,001,822	2,295,542
Net income for the financial year	18	1,990,447	11,375	2,001,822	2,295,542

The notes on pages 15 to 29 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 DECEMBER 2016

	Note	£	2016 £	£	2015 £
Fixed assets					
Investments	14		510,530		-
Current assets					
Debtors	15	426,283		602,159	
Cash at bank and in hand		3,856,770		2,105,756	
		<u>4,283,053</u>		<u>2,707,915</u>	
Creditors: amounts falling due within one year	16	(102,942)		(19,096)	
Net current assets			<u>4,180,111</u>		<u>2,688,819</u>
Net assets			<u><u>4,690,641</u></u>		<u><u>2,688,819</u></u>
Charity Funds					
Restricted funds	18		11,375		-
Unrestricted funds:					
Share capital	17	100		100	
Unrestricted funds	18	<u>4,679,166</u>		<u>2,688,719</u>	
Total unrestricted funds			<u>4,679,266</u>		<u>2,688,819</u>
Shareholders' and Charity's funds			<u><u>4,690,641</u></u>		<u><u>2,688,819</u></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 10 August 2017 and signed on their behalf, by:



David Lumley

The notes on pages 15 to 29 form part of these financial statements.

THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by operating activities	20	<u>2,249,353</u>	<u>1,749,876</u>
Cash flows from investing activities:			
Interest income		1,661	341
Purchase of investments		<u>(500,000)</u>	<u>-</u>
Net cash (used in)/provided by investing activities		<u>(498,339)</u>	<u>341</u>
Change in cash and cash equivalents in the year		<u>1,751,014</u>	<u>1,750,217</u>
Cash and cash equivalents brought forward		<u>2,105,756</u>	<u>355,539</u>
Cash and cash equivalents carried forward	21	<u><u>3,856,770</u></u>	<u><u>2,105,756</u></u>

THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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 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.

1.3 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.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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 2016

1. Accounting policies (continued)

1.4 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.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. Accounting policies (continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions 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.

All resources expended are inclusive of irrecoverable VAT.

1.6 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities incorporating income and expenditure account. Exchange gains or losses on bank deposits held in foreign currencies are also disclosed under 'Gains/(losses) on investments'.

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.

1.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid 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.

THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. Accounting policies (continued)

1.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

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 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	1,587,412	11,375	1,598,787	2,553,185
Grants	751,885	-	751,885	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and legacies	2,339,297	11,375	2,350,672	2,553,185
	<hr/>	<hr/>	<hr/>	<hr/>

In 2015, of the total income from donations and legacies, £2,553,185 was to unrestricted funds and £ NIL was to restricted funds.

Donations include amounts of £1,512,499 (2015: £2,527,093) received from Novak Djokovic, including recoverable Gift Aid.

Grant income received in the year of £751,885 (2015: £Nil) was from the Novak Djokovic Foundation (USA).

THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

3. Interest income

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Bank interest	1,661	-	1,661	341

In 2015, of the total interest income, £ 341 was to unrestricted funds and £ NIL was to restricted funds.

Gains on investments and exchange gains on bank deposits held in foreign currencies are disclosed under 'Net gains on foreign exchange and investments'.

4. Other incoming resources

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Other income	30,677	-	30,677	17,264

Income of £30,677 (2015: £17,264 - unrestricted) has been generated in the year from management and administrative services provided to the Novak Djokovic Foundation (USA).

5. Raising funds

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Support costs - fundraising	164,512	-	164,512	17,897

Fundraising costs in the year include an amount of £24,712 spent on a Gala Dinner fundraising event in Milan, held in September 2016. The proceeds from that dinner have been received and accounted for by The Novak Djokovic Foundation ONLUS, a related not-for-profit entity in Italy with charitable objectives in line with those of the UK charity.

Fundraising costs for the financial year include more robust and concerted efforts in public relations activity, (listed as PR, media & advertising in Note 8) aimed at establishing and increasing awareness of the Foundation in the UK and internationally in 2016 and for years to come. In this endeavour, the services of Edelman Public Relations have been retained. The Foundation is in the process of establishing a strong public profile to help ensure it is vibrant and thriving in decades to come.

THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

6. Analysis of grants

	Grants to Institutions 2016 £	Total 2016 £	<i>Total 2015 £</i>
NDF Serbia	360,276	360,276	226,711
Harvard University	162,530	162,530	-
Centro Mater	14,937	14,937	-
Melbourne City Mission	9,990	9,990	-
	<hr/>	<hr/>	<hr/>
Total	547,733	547,733	226,711
	<hr/>	<hr/>	<hr/>

A grant of €400,000 (converted to £360,276 in GBP) was made to The Novak Djokovic Foundation (Serbia) to cover core costs. In the prior year a grant of £200,000 was awarded to The Novak Djokovic Foundation (Serbia) to support the Schools of Life project, building or refurbishing schools in economically challenged areas, and a further grant of £26,711 was made to help finance flood relief efforts in Serbia following the devastating floods in May 2014.

Grant funding of \$200,000 (converted to £162,530 in GBP) was agreed with Harvard University and their Center on the Developing Child, one of the leading centres of research and academic excellence in Early Childhood Development and Education. During 2016 the Djokovic Science and Innovation Fellowship was launched at Harvard University, supporting four Djokovic Fellows, who are advanced doctoral students researching various components of Early Childhood Education. The grant covers a two year period, supporting a total of eight Djokovic Fellows.

A grant of \$20,000 (converted to £14,937 in GBP) was made to Centro Mater Childcare Center in Miami, to provide summer camp scholarships to 20 pre-school age children.

A grant of AUD20,000 (converted to £9,990 in GBP) was made to Melbourne City Mission for their Early Years Supported Playgroup Programs.

In addition to the above, Novak Djokovic signed tennis racquets were donated to The Gracious Heart Foundation and Small Steps SFP.

7. Analysis of expenditure on charitable activities

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	<i>Total funds 2015 £</i>
NDF Serbia	360,276	-	360,276	226,711
Harvard University	162,530	-	162,530	-
Centro Mater	14,937	-	14,937	-
Melbourne City Mission	9,990	-	9,990	-
Support costs - charitable activities	42,011	-	42,011	11,508
	<hr/>	<hr/>	<hr/>	<hr/>
	589,744	-	589,744	238,219
	<hr/>	<hr/>	<hr/>	<hr/>

In 2015, of the total expenditure, £211,508 was expenditure from unrestricted funds and £26,711 was expenditure from restricted funds.

THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

8. Support costs

	Basis of Allocation	Fundraising costs £	Governance £	Grants to Institutions £	Total 2016 £	Total 2015 £
Consultancy fees	Event costs	9,120	-	-	9,120	-
Bank charges & subscriptions	Split by activity	182	182	183	547	-
PR, media & advertising	Fundraising	94,035	-	-	94,035	2,499
Computer & IT support	Governance	-	1,150	-	1,150	20
Travel, hotels & subsistence	Split by staff time	3,114	-	3,115	6,229	1,402
Entertainment	Staff time	255	-	255	510	131
Printing, postage & stationery	Split by activity	152	153	152	457	101
Telephone and mobile	Split of staff time	77	77	78	232	-
Website costs	Fundraising	19,350	-	-	19,350	3,888
Wages and salaries	Split of staff time	33,333	33,333	33,334	100,000	29,981
National insurance	Split of staff time	3,227	3,226	3,227	9,680	1,764
Pension cost	Split of staff time	1,667	1,666	1,667	5,000	1,250
Subtotal		164,512	39,787	42,011	246,310	41,036
Allocated to governance in prior year		-	-	-	-	(11,631)
		164,512	39,787	42,011	246,310	29,405

THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

9. Governance costs

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Accountancy fees	19,200	-	19,200	4,800
Governance Auditors' remuneration	3,000	-	3,000	6,600
Governance Auditors' non audit costs	1,200	-	1,200	1,500
Legal and professional fees	23,638	-	23,638	26,590
Legal and professional recharge (note 22)	(7,343)	-	(7,343)	(25,881)
Other administrative charges	338	-	338	837
Insurance	329	-	329	-
Other governance costs	-	-	-	632
Support costs - governance	1,562	-	1,562	-
Governance expense - wages and salaries	-	-	-	9,994
Governance expense - NI	-	-	-	588
Governance expense - pension costs	-	-	-	417
Wages and salaries - allocated	38,225	-	38,225	-
	<u>80,149</u>	<u>-</u>	<u>80,149</u>	<u>26,077</u>

The Foundation places a high degree of importance on good governance and in 2016 formally adopted various policies. Please note there is a contribution from the Novak Djokovic Foundation (USA) within the management and administrative services fee for part of the governance costs, including wages and salaries allocated.

10. Analysis of resources expended by expenditure type

	Staff costs 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Expenditure on raising voluntary income	38,227	126,285	164,512	17,897
Costs of generating funds	<u>38,227</u>	<u>126,285</u>	<u>164,512</u>	<u>17,897</u>
NDF Serbia	-	360,276	360,276	200,000
Harvard University	-	162,530	162,530	26,711
Centro Mater	-	14,937	14,937	-
Melbourne City Mission	-	9,990	9,990	11,508
Support costs - charitable activities	38,228	3,783	42,011	-
Charitable activities	<u>38,228</u>	<u>551,516</u>	<u>589,744</u>	<u>238,219</u>
Expenditure on governance	<u>38,225</u>	<u>41,924</u>	<u>80,149</u>	<u>26,077</u>
	<u>114,680</u>	<u>719,725</u>	<u>834,405</u>	<u>282,193</u>

THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

11. Net incoming resources

This is stated after charging / (crediting):

	2016 £	2015 £
Auditors' remuneration - audit	3,000	6,600
Auditors' remuneration - other services	1,200	1,500
Net (gains) / losses on foreign exchange	(442,687)	(6,945)

During the year, no Trustees received any remuneration (2015 - £NIL).

During the year, no Trustees received any benefits in kind (2015 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2015 - £NIL).

12. Auditors' remuneration

The comparative figures for auditor's remuneration included audit fees in respect of the year ended 31 December 2015 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 2016**

13. Staff costs

Staff costs were as follows:

	2016	2015
	£	£
Wages and salaries	100,000	29,981
Social security costs	9,680	1,764
Other pension costs	5,000	1,250
	<u>114,680</u>	<u>32,995</u>

The average number of persons employed by the charity during the year was as follows:

	2016	2015
	No.	No.
Chief Executive Officer	1	1

Average headcount expressed as a full time equivalent:

	2016	2015
	No.	No.
Chief Executive Officer	1	1

The number of higher paid employees was:

	2016	2015
	No.	No.
In the band £90,001 - £100,000	1	1

The Chief Executive Officer commenced employment in September 2015.

14. Fixed asset investments

Investments at market value comprise:

	UK	Overseas	2016
	£	£	£
Listed investments	<u>274,716</u>	<u>235,814</u>	<u>510,530</u>

THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

14. Fixed asset investments (continued)

Valuation

All investments are carried at their fair value and investments in equities and fixed interest securities are traded in quoted public markets, primarily the London Stock Exchange. The year end valuation is prepared on the basis of mid-market prices from the appropriate stock exchange, the bid price from the relevant fund manager or the last traded price where applicable. Where holdings are priced in a currency other than the reporting currency, their value is converted at the balance sheet date into sterling.

The main risks to the charity are from uncertainties within investment markets and yield volatilities and these risks are managed by the use of expert fund managers externally and the operation of a diversified investment strategy of income and capital preservation. Performance is assessed by the Trustees and targets and investment reports are reviewed internally on a quarterly basis.

Material investments

	31 December 2016 £	<i>31 December 2015 £</i>
Equities	190,369	-
Fixed interest securities	155,807	-
Cash held within the investment portfolio	142,857	-
Property	21,497	-
	510,530	-

15. Debtors

	2016 £	<i>2015 £</i>
Amounts owed by group undertakings	121,253	83,233
Prepayments and accrued income	-	13,978
Tax recoverable	305,030	504,948
	426,283	602,159

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 2016**

16. Creditors: Amounts falling due within one year

	2016 £	2015 £
Other taxation and social security	3,801	4,726
Other creditors	750	750
Accruals and deferred income	17,362	13,620
Grants accrued - institutional	81,029	-
	<u>102,942</u>	<u>19,096</u>

Grants accrued of £81,029 (2015: £Nil) are in respect of the agreement with Harvard University and are due to be paid in 2017.

17. Share capital

	2016 £	2015 £
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

18. Statement of funds

	Brought Forward £	Income £	Expenditure £	Gains/ (Losses) £	Carried Forward £
Designated funds					
Novak Djokovic donation fund	<u>2,534,038</u>	<u>1,512,499</u>	<u>(646,590)</u>	<u>395,219</u>	<u>3,795,166</u>
General funds					
General fund	154,681	859,136	(187,815)	57,998	884,000
Share capital	100	-	-	-	100
	<u>154,781</u>	<u>859,136</u>	<u>(187,815)</u>	<u>57,998</u>	<u>884,100</u>
Total Unrestricted funds	<u>2,688,819</u>	<u>2,371,635</u>	<u>(834,405)</u>	<u>453,217</u>	<u>4,679,266</u>
Restricted funds					
Doja Toplica	-	11,375	-	-	11,375
Total of funds	<u>2,688,819</u>	<u>2,383,010</u>	<u>(834,405)</u>	<u>453,217</u>	<u>4,690,641</u>

THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

18. Statement of funds (continued)

Summary of funds

	Brought Forward £	Income £	Expenditure £	Gains/ (Losses) £	Carried Forward £
Designated funds	2,534,038	1,512,499	(646,590)	395,219	3,795,166
General funds	154,781	859,136	(187,815)	57,998	884,100
	<u>2,688,819</u>	<u>2,371,635</u>	<u>(834,405)</u>	<u>453,217</u>	<u>4,679,266</u>
Restricted funds	-	11,375	-	-	11,375
	<u>2,688,819</u>	<u>2,383,010</u>	<u>(834,405)</u>	<u>453,217</u>	<u>4,690,641</u>

In December 2015 a separate Novak Djokovic donation fund was created for the donations received from its Founder, Novak Djokovic, and as far as possible the Trustees have decided to meet future core and administration costs from this separately designated fund. It is intended that the balance of these designated funds will be put towards direct charitable activities and future fundraising expenditure.

In 2016, £500,000 of the Novak Djokovic donation fund was invested in order to help support the Foundation's objectives into the future and a further £1 million has been invested post year end. The Foundation's aim in investing these funds is to generate returns on capital in order to provide funds to further its charitable aims for years to come.

As part of the designated funds are intended to cover future core and administration costs, it is anticipated that the majority of the general funds will be made available for direct grant funding to other organisations whose projects for charitable works are consistent with the Foundation's grant making objectives. In 2016, £187,457 of the total expenditure of £187,815 made from general funds was spent directly on grants to institutions.

19. Analysis of net assets between funds

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Fixed asset investments	510,530	-	510,530	-
Current assets	4,271,678	11,375	4,283,053	2,707,915
Creditors due within one year	(102,942)	-	(102,942)	(19,096)
	<u>4,679,266</u>	<u>11,375</u>	<u>4,690,641</u>	<u>2,688,819</u>

THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

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

	2016 £	2015 £
Net income for the year (as per Statement of financial activities)	2,001,822	2,295,542
Adjustment for:		
(Gains)/losses on investments	(10,530)	-
Interest receivable	(1,661)	(341)
Decrease/(increase) in debtors	175,876	(559,260)
Increase in creditors	83,846	13,935
Net cash provided by operating activities	2,249,353	1,749,876

21. Analysis of cash and cash equivalents

	2016 £	2015 £
Cash in hand	3,856,770	2,105,756
Total	3,856,770	2,105,756

22. Related party transactions

Included within the accountancy fees in note 9 are amounts payable to Arena Wealth Partners LLP of £19,200, inclusive of VAT (2015: £4,800). The increase in the fee from the prior year is because from the beginning of 2016, monthly management accounts have been produced for the Foundation. D P Lumley is a partner of Arena Wealth Partners LLP.

Legal and professional fees of £7,343 (2015: £5,575) have been incurred by the charity on behalf of the Novak Djokovic Foundation (USA) and recharged in the year. A total recharge of £25,881 was made in the prior year in respect of previous legal costs and is reflected within note 9.

A charge of £30,677 (2015: £17,264) for management and administrative services has also been made to the Novak Djokovic Foundation (USA) in respect of the year.

PR, media and advertising costs include £24,712 (2015: £Nil) of PR costs in relation to the Milan Gala Dinner. The proceeds from the dinner have been received by The Novak Djokovic Foundation ONLUS, a related not-for-profit entity in Italy with charitable objectives in line with those of the UK charity.

Grant income received in the year of £751,885 (2015: £Nil) was from the Novak Djokovic Foundation (USA).

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. Post balance sheet events

Subsequent to the year end, the Foundation has made further grants to The Novak Djokovic Foundation (Serbia) of over \$1.5 million.

THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

24. 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.