

Charity Registration No. 1147341

Company Registration No. 07980355 (England and Wales)

**THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

# THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Novak Djokovic Jelena Djokovic David Lumley
<b>Chief executive officer</b>	Alberto Lidji
<b>Charity number</b>	1147341
<b>Company number</b>	07980355
<b>Registered office</b>	16 Old Bailey London EC4M 7EG
<b>Auditor</b>	Lewis Evans Partnership LLP The Oaks 3 Village Road West Kirby Wirral CH48 3JN
<b>Bankers</b>	Adam & Company plc 6 Adelaide Street London WC2N 4HZ
<b>Solicitors</b>	Withers LLP 16 Old Bailey London EC4M 7EG

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# THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

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# THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 DECEMBER 2017

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The trustees present their report and financial statements for the year ended 31 December 2017.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016)

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.

There has been no change in the objects during the year.

##### **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)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2017

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### 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

(1) The relationship with the Center on the Developing Child at Harvard University continued to flourish -- one of the leading centres of research and academic excellence in Early Childhood Development and Education. Djokovic Fellows are advanced doctoral students researching various components in Early Childhood Development. 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. The relationship was originally established in 2016 and two cohorts of Djokovic Fellows have now successfully been selected. The second cohort of Djokovic Science and Innovation Fellows were selected in early 2018 and will embark on their work at the start of the 2018-19 academic year. Their research is diverse yet has Early Childhood Development as a key common denominator. Each Djokovic Fellow has participated in a Question and Answer session with the Global CEO of the Novak Djokovic Foundation, which will be published on our digital channels and will enable the Foundation to introduce the Djokovic Fellows to a broad, global audience; to distil the salient points of their research interests and to encourage others to take up research in this field. As the years progress, it is hoped that the Djokovic Fellows will form part of a nascent and growing alumni family and that they will secure consequential positions as academics, practitioners and/or policymakers. Their kinship to the Novak Djokovic Foundation should send a strong signal of the Foundation's unyielding support of research and desire to invest in tomorrow's leaders in this field. In 2018, fruitful discussions have taken place between the Novak Djokovic Foundation and the Center on the Developing Child at Harvard University to explore extending the existing relationship by a further two years. The Foundation's relationship with the Center on the Developing Child at Harvard University has also inspired our creation and support for a 'Djokovic Scholars Program' at the University of Belgrade in Serbia.

(2) During 2017, various grants were made by the Foundation to the Novak Djokovic Foundation Serbia to cover core administrative costs, projects and programs. The charitable work supported included the flagship Schools of Life projects, The Original Magazine, and the creation of the Djokovic Scholars Program and support for one 'early career academic' in Early Childhood Education at the University of Belgrade. The Schools of Life initiative establishes schools for children to learn and play. The Original Magazine is aimed at young adults and supports the vision of universal access to quality education -- throughout its relatively short history, 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). The Djokovic Scholars Program at the University of Belgrade aims to support PhD candidates researching Early Childhood Education and also to support one early career academic -- part of the vision is to enrich both the pool of talent researching Early Childhood Education at the doctoral level and, also, to help ensure they have access to remarkable PhD supervisors and mentors.

(3) In August 2017, the Novak Djokovic Foundation was invited to ring the NASDAQ Opening Bell in New York City. It was an invaluable opportunity to address a global audience and to advocate the value of supporting Early Childhood Education and Development. The Opening Bell was followed by remarks from the Foundation's Global CEO; the ceremony was picked up internationally by CNBC, Fox Business and Bloomberg and it allowed the Foundation to convey the message that 'Early Years truly' do matter to how a child develops into adulthood.

# THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2017

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### c. Fundraising activities/Income generation

During 2017, digital fundraising channels were a main mechanism through which new and reoccurring donors supported the Foundation. Novak Djokovic also made a generous six-figure gift during the year and new digital platforms were explored to entice members of the general public to generate support from peers. No Gala Dinner was held in 2017, since Novak and Jelena Djokovic welcomed their second child to the world during the time of year in which the Foundation's Gala is normally held.

### 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

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

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 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.

#### 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 21 of the financial statements.

# THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

**FOR THE YEAR ENDED 31 DECEMBER 2017**

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### **d. Principal funding**

Mr and Mrs Novak Djokovic were the principal source of funding, generously making a donation of USD \$200,000 to the Foundation in 2017, which qualified for Gift Aid. During 2017 other private individuals have made donations in support of our work and Tennis Australia also made a generous donation to the Foundation following the Australian Open.

### **e. Material investments policy**

The Trustees passed an Investment and Reserves Policy in May 2016 and an ongoing objective for 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.

During 2016 the Foundation appointed Adam & Company as discretionary investment managers and £500,000 was invested initially using an income and capital preservation strategy, with a further £1 million invested during 2017. 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.

### **Structure, governance and management**

#### **a. Constitution and Trustees**

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.

#### **Trustees**

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

Novak Djokovic  
Jelena Djokovic  
David Lumley

#### **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. 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).

# THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2017

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### **d. 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.

### **e. Pay policy for senior staff**

Board members discuss senior staff remuneration as required.

### **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.

### **Plans for future periods**

#### **a. Future developments**

The Foundation will continue to focus on projects that promote early childhood education and the development of young children from disadvantaged backgrounds and to fund research to fill the gaps in the body of academic knowledge in early childhood development.

At the time of publishing this report the Harvard Djokovic Science and Innovation Fellowship has been extended for a further two years and in September 2018 there is a planned 'Breakfast with Champions' event in Chicago to raise funds for NDF USA.

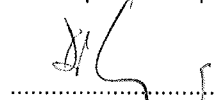
### **Auditor**

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.

### **Disclosure of information to auditor**

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

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

  
.....  
**David Lumley**

Trustee  
Dated: 24th September, 2018



# THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

*FOR THE YEAR ENDED 31 DECEMBER 2017*

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The trustees, who are also the directors of The Novak Djokovic Foundation (UK) Limited for the purpose 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 which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

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#### Opinion

We have audited the financial statements of The Novak Djokovic Foundation (UK) Limited (the 'charity') for the year ended 31 December 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 2017 and of its incoming resources and application of resources, 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.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note [X] to the accounts, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

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#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

#### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

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#### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Simon Evans FCA (Senior Statutory Auditor)**  
for and on behalf of Lewis Evans Partnership LLP

**Chartered Accountants**  
**Statutory Auditor**

24/09/2018

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The Oaks  
3 Village Road  
West Kirby  
Wirral  
CH48 3JN

# THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2017

		Unrestricted funds general	Unrestricted funds designated	Restricted funds	Total 2017	Total 2016
	Notes	£	£	£	£	£
<b><u>Income and endowments from:</u></b>						
Donations and legacies	3	41,847	186,906	-	228,753	2,350,672
Interest income	4	347	39	-	386	1,661
Other income	5	-	32,417	-	32,417	30,677
<b>Total income</b>		<b>42,194</b>	<b>219,362</b>	<b>-</b>	<b>261,556</b>	<b>2,383,010</b>
<b><u>Expenditure on:</u></b>						
Raising funds	6	-	125,739	-	125,739	164,512
Charitable activities	7	956,425	601,051	11,375	1,568,851	669,893
<b>Total resources expended</b>		<b>956,425</b>	<b>726,790</b>	<b>11,375</b>	<b>1,694,590</b>	<b>834,405</b>
Net gains/(losses) on investments	12	-	82,717	-	82,717	10,530
<b>Net (outgoing)/incoming resources before transfers</b>		<b>(914,231)</b>	<b>(424,711)</b>	<b>(11,375)</b>	<b>(1,350,317)</b>	<b>1,559,135</b>
Gross transfers between funds		100,000	(100,000)	-	-	-
<b>Net (outgoing)/incoming resources</b>		<b>(814,231)</b>	<b>(524,711)</b>	<b>(11,375)</b>	<b>(1,350,317)</b>	<b>1,559,135</b>
<b><u>Other recognised gains and losses</u></b>						
Other gains or losses	13	4,180	(158,643)	-	(154,463)	442,687
<b>Net movement in funds</b>		<b>(810,051)</b>	<b>(683,354)</b>	<b>(11,375)</b>	<b>(1,504,780)</b>	<b>2,001,822</b>
Fund balances at 1 January 2017		884,100	3,795,166	11,375	4,690,641	2,688,819
<b>Fund balances at 31 December 2017</b>		<b>74,049</b>	<b>3,111,812</b>	<b>-</b>	<b>3,185,861</b>	<b>4,690,641</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

## BALANCE SHEET

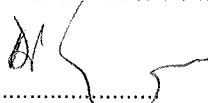
AS AT 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
<b>Fixed assets</b>					
Investments	14		1,584,461		510,530
<b>Current assets</b>					
Debtors	16	210,069		426,283	
Cash at bank and in hand		1,416,238		3,856,770	
		1,626,307		4,283,053	
<b>Creditors: amounts falling due within one year</b>	17	(24,907)		(102,942)	
Net current assets			1,601,400		4,180,111
<b>Total assets less current liabilities</b>			3,185,861		4,690,641
<b>Income funds</b>					
Restricted funds	19		-		11,375
<u>Unrestricted funds</u>					
Designated funds:					
Novak Djokovic donation fund		3,111,812		3,795,166	
	20	3,111,812		3,795,166	
General unrestricted funds		73,949		884,000	
Share capital		100		100	
			3,185,861		4,679,266
			3,185,861		4,690,641

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 24<sup>th</sup> September, 2018



David Lumley  
Trustee

Company Registration No. 07980355

# THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	25		(1,440,918)		2,249,353
<b>Investing activities</b>					
Purchase of investments		(1,000,000)		(500,000)	
Interest received		386		1,661	
<b>Net cash used in investing activities</b>			(999,614)		(498,339)
<b>Net cash used in financing activities</b>			-		-
<b>Net (decrease)/increase in cash and cash equivalents</b>			(2,440,532)		1,751,014
Cash and cash equivalents at beginning of year			3,856,770		2,105,756
<b>Cash and cash equivalents at end of year</b>			1,416,238		3,856,770

# THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2017**

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### **1 Accounting policies**

#### **Charity information**

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.

#### **1.1 Accounting convention**

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### **1.2 Going concern**

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.3 Charitable funds**

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 funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

#### **1.4 Incoming resources**

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Assets for distribution are recognised only when distributed. Assets given for use by the charity are recognised when receivable. Stocks of undistributed donated goods are not valued for balance sheet purposes.



# THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

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### 1 Accounting policies

(Continued)

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

#### 1.5 Resources expended

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.

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 Fixed asset 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 'Net gains/(losses) on investments' in the Statement of financial activities incorporating income and expenditure account.

#### 1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.8 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

# THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

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### 1 Accounting policies

(Continued)

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

### 1.9 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

### 1.10 Retirement benefits

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 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

# THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 3 Donations and legacies

	Unrestricted funds general £	Unrestricted funds designated £	Restricted funds £	Total 2017 £	Total 2016 £
Donations and gifts	41,847	186,906	-	228,753	1,598,787
Grants	-	-	-	-	751,885
	41,847	186,906	-	228,753	2,350,672
<b>For the year ended 31 December 2016</b>	<b>826,798</b>	<b>1,512,499</b>	<b>11,375</b>		<b>2,350,672</b>

Donations include amounts of £186,906 (2016: £1,512,499) received from Novak Djokovic, including recoverable Gift Aid.

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

### 4 Interest income

	Unrestricted funds general £	Unrestricted funds designated £	Total 2017 £	Total 2016 £
Interest receivable	347	39	386	1,661
<b>For the year ended 31 December 2016</b>	<b>1,661</b>	<b>-</b>		<b>1,661</b>

### 5 Other income

	Unrestricted funds general £	Unrestricted funds designated £	Total 2017 £	Total 2016 £
Other income	-	32,417	32,417	30,677
<b>For the year ended 31 December 2016</b>	<b>30,677</b>	<b>-</b>		<b>30,677</b>

Income of £32,417 (2016: £30,677 - unrestricted) has been generated in the year from management and administrative services provided to the Novak Djokovic Foundation (USA).

# THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 6 Raising funds

	2017	2016
	£	£
<u>Fundraising and publicity</u>		
Support costs	116,953	164,512
<u>Investment management</u>	8,786	-
	<u>125,739</u>	<u>164,512</u>

### 7 Charitable activities

	2017	2016
	£	£
Grant funding of activities (see note 8)	1,433,014	547,733
Share of support costs (see note 9)	44,258	42,011
Share of governance costs (see note 9)	91,579	80,149
	<u>1,568,851</u>	<u>669,893</u>
<b>Analysis by fund</b>		
Unrestricted funds - general	956,425	
Unrestricted funds - designated	601,051	
Restricted funds	11,375	
	<u>1,568,851</u>	
<b>For the year ended 31 December 2016</b>		
Unrestricted funds - general		187,815
Unrestricted funds - designated		482,078
		<u>669,893</u>

# THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2017

#### 8 Grants payable

	2017 £	2016 £
Grants to institutions:		
NDF Serbia	1,433,014	360,276
Harvard University	-	162,530
Centro Mater	-	14,937
Melbourne City Mission	-	9,990
	<u>1,433,014</u>	<u>547,733</u>

During 2017, various grants were made by the Foundation to the Novak Djokovic Foundation Serbia (NDF Serbia) to cover core administrative costs, projects and programs. The charitable work supported included the flagship Schools of Life projects, The Original Magazine, and the creation of the Djokovic Scholars Program and support for one 'early career academic' in Early Childhood Education at the University of Belgrade.

The Schools of Life initiative establishes schools for children to learn and play.

The Original Magazine is aimed at young adults and supports the vision of universal access to quality education -- throughout its relatively short history, 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).

The Djokovic Scholars Program at the University of Belgrade aims to support PhD candidates researching Early Childhood Education and also to support one early career academic -- part of the vision is to enrich both the pool of talent researching Early Childhood Education at the doctoral level and, also, to help ensure they have access to remarkable PhD supervisors and mentors.

#### Grants in 2016:

In the prior year a grant of €400,000 (converted to £360,276 in GBP) was made to The Novak Djokovic Foundation (Serbia) to cover core costs.

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.

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# THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 9 Support costs

	Support costs £	Governance costs £	2017 £	2016 £	Basis of allocation
Staff costs	76,450	38,225	114,675	114,680	Split of staff time
Consultancy fees	-	-	-	9,120	Event costs
Bank charges, subscriptions	486	243	729	547	Split by activity
PR, media & advertising	60,000	-	60,000	94,035	Fundraising
Computer & IT support	-	12,182	12,182	1,150	Governance
Travel, hotels, subsistence	10,282	-	10,282	6,229	Split by staff time
Entertainment	1,163	-	1,163	510	Staff time
Printing, postage, stationery	47	23	70	457	Split by activity
Telephone and mobile	87	44	131	232	Split of staff time
Website costs	12,696	-	12,696	19,350	Fundraising
Audit fees	-	3,000	3,000	3,000	Governance
Auditors' non audit costs	-	-	-	1,200	Governance
Legal and professional	-	15,344	15,344	16,295	Governance
Accountancy fees	-	21,315	21,315	19,200	Governance
Other administrative charges	-	1,020	1,020	338	Governance
Insurance	-	183	183	329	Governance
	<u>161,211</u>	<u>91,579</u>	<u>252,790</u>	<u>286,672</u>	
Analysed between					
Fundraising	116,953	-	116,953	164,512	
Charitable activities	44,258	91,579	135,837	122,160	
	<u>161,211</u>	<u>91,579</u>	<u>252,790</u>	<u>286,672</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.

Governance costs includes payments to the auditors of £3,000 (2016- £3,000) for audit fees.

### 10 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

# THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 11 Employees

#### Number of employees

The average monthly number employees during the year was:

	2017 Number	2016 Number
Chief Executive Officer	1	1

#### Employment costs

	2017 £	2016 £
Wages and salaries	100,000	100,000
Social security costs	9,675	9,680
Other pension costs	5,000	5,000
	114,675	114,680

The number of employees whose annual remuneration was £60,000 or more were:

	2017 Number	2016 Number
In the band £90,001 - £100,000	1	1

Contributions totalling £5,000 (2016: £5,000) were made to defined contribution pension schemes on behalf of employees whose emoluments exceed £60,000.

### 12 Net gains/(losses) on investments

	2017 £	2016 £
Revaluation of investments	82,717	10,530

### 13 Other gains or losses

	Unrestricted funds general £	Unrestricted funds designated £	Total 2017 £	Total 2016 £
Foreign exchange (gains) / losses	(4,180)	158,643	154,463	(442,687)
<b>For the year ended 31 December 2016</b>	<b>(57,998)</b>	<b>(384,689)</b>		<b>(442,687)</b>

# THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2017

#### 14 Fixed asset investments

	Listed investments £	Property £	Cash in portfolio	Total £
<b>Cost or valuation</b>				
At 1 January 2017	346,176	21,497	142,857	510,530
Additions	1,150,747	21,645	-	1,172,392
Valuation changes and income	52,668	6,652	416	59,736
Disposals	(37,685)	-	(120,512)	(158,197)
At 31 December 2017	1,511,906	49,794	22,761	1,584,461
<b>Carrying amount</b>				
At 31 December 2017	1,511,906	49,794	22,761	1,584,461
At 31 December 2016	346,176	21,497	142,857	510,530

Listed investments included above:

	2017 £	2016 £
Investments at fair value comprise:		
Equities	834,912	190,369
Fixed interest securities	676,994	155,807
Property	49,794	142,857
Cash held within the investment portfolio	22,761	21,497
	1,584,461	510,530

#### 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.



# THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

<b>15</b>	<b>Financial instruments</b>	<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>
	<b>Carrying amount of financial assets</b>		
	Debt instruments measured at amortised cost	210,069	426,283
	Equity instruments measured at cost less impairment	1,584,461	510,530
		<u></u>	<u></u>
	<b>Carrying amount of financial liabilities</b>		
	Measured at amortised cost	21,000	99,141
		<u></u>	<u></u>
<b>16</b>	<b>Debtors</b>	<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>
	<b>Amounts falling due within one year:</b>		
	Amount due from parent undertaking	172,688	121,253
	Other debtors	37,381	305,030
		<u></u>	<u></u>
		210,069	426,283
		<u></u>	<u></u>
Amounts owed by group undertakings relate to amounts due at the year end from the Novak Djokovic Foundation (USA).			
<b>17</b>	<b>Creditors: amounts falling due within one year</b>	<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>
	Other taxation and social security	3,907	3,801
	Other creditors	-	81,779
	Accruals and deferred income	21,000	17,362
		<u></u>	<u></u>
		24,907	102,942
		<u></u>	<u></u>
Other creditors include grants accrued of £Nil (2016: £81,029) in respect of an agreement with Harvard University.			
<b>18</b>	<b>Share capital</b>	<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>
	<b>Ordinary share capital</b>		
	<b>Issued and fully paid</b>		
	100 Ordinary shares of £1 each	100	100
		<u></u>	<u></u>

# THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2017

#### 19 Restricted funds

The income funds of the charity include restricted funds comprising the following donations and grants held on trust for specific purposes:

	Balance at 1 January 2017 £	Incoming resources £	Resources expended £	Balance at 31 December 2017 £
Donja Toplica	11,375	-	(11,375)	-
	<u>11,375</u>	<u>-</u>	<u>(11,375)</u>	<u>-</u>

#### 20 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 January 2017 £	Incoming resources £	Movement in funds			Balance at 31 December 2017 £
			Resources expended £	Transfers £	Revaluations, gains and losses £	
Novak Djokovic donation fund	3,795,166	219,362	(726,790)	(100,000)	(75,926)	3,111,812
	<u>3,795,166</u>	<u>219,362</u>	<u>(726,790)</u>	<u>(100,000)</u>	<u>(75,926)</u>	<u>3,111,812</u>

A separate Novak Djokovic donation fund has been created for the donations received from its Founder, Novak Djokovic, and as far as possible the Trustees have decided to meet 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 in 2017. 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 core and administration costs, it is anticipated that the majority of the unrestricted 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 2017 £955,746 (2016: £187,457) of the total expenditure of £956,425 (2016: £187,815) made from general funds was spent directly on grants to institutions.

# THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 21 Analysis of net assets between funds

	General fund	Novak Djokovic donation fund	Restricted funds	Total
	£	£	£	£
Fund balances at 31 December 2017 are represented by:				
Investments	-	1,584,461	-	1,584,461
Current assets/(liabilities)	74,049	1,527,351	-	1,601,400
	<u>74,049</u>	<u>3,111,812</u>	<u>-</u>	<u>3,185,861</u>

### 22 Events after the reporting date

Subsequent to the year end, the Foundation has agreed to provide a second grant award of \$200,000 to the Harvard University and their Center on the Developing Child. The Djokovic Science and Innovation Fellowship supports four Djokovic Fellows annually, who are advanced doctoral students researching various components of Early Childhood Education. The grant covers a two year period, supporting a further eight Djokovic Fellows.

### 23 Related party transactions

Included within the accountancy fees in note 9 are amounts payable to Arena Wealth Partners LLP of £19,695, inclusive of VAT (2016: £19,200). D P Lumley is a partner of Arena Wealth Partners LLP.

Legal and professional fees of £8,319 (2016: £7,343) have been incurred by the charity on behalf of the Novak Djokovic Foundation (USA) and recharged in the year.

A charge of £32,417 (2016: £30,677) 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 £Nil (2016: £24,712) of PR costs in relation to the Milan Gala Dinner held in 2016. The proceeds from the dinner were 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 £Nil (2016: £751,885) 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 8 of these financial statements.

### 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.

# THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

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<b>25</b>	<b>Cash generated from operations</b>	<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>
	(Deficit)/surplus for the year	(1,350,317)	1,559,135
	Adjustments for:		
	Investment income recognised in statement of financial activities	(386)	(1,661)
	Foreign exchange differences	(154,463)	442,687
	Fair value gains and losses on investments	(82,717)	(10,530)
	Movements in working capital:		
	Decrease in debtors	216,214	175,876
	(Decrease)/increase in creditors	(78,035)	83,846
	Adjustment for wealth management fees	8,786	-
	<b>Cash (absorbed by)/generated from operations</b>	<b>(1,440,918)</b>	<b>2,249,353</b>

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