

**Charity registration number 1147341**

**Company registration number 07980355 (England and Wales)**

**THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

# THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

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|-----------------------------|---|
| <b>Trustees</b>             | Novak Djokovic<br>Jelena Djokovic<br>David Lumley   |
| <b>Secretary</b>            | Temple Secretarial Limited  |
| <b>Charity number</b>       | 1147341   |
| <b>Company number</b>       | 07980355  |
| <b>Registered office</b>    | Third Floor<br>20 Old Bailey<br>London<br>EC4M 7AN  |
| <b>Independent examiner</b> | Lewis Evans Partnership LLP<br>The Oaks<br>3 Village Road<br>West Kirby<br>Wirral<br>CH48 3JN |
| <b>Bankers</b>              | Coutts & Co<br>440 Strand<br>London<br>WC2R 0QS   |
| <b>Solicitors</b>           | Withers LLP<br>20 Old Bailey<br>London<br>EC4M 7AN  |
| <b>Investment advisors</b>  | Adam & Company Wealth Management<br>40 Princes Street<br>Edinburgh<br>EH2 2BY                 |

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# THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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The trustees present their annual report and financial statements for the year ended 31 December 2022.

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) (effective 1 January 2019)".

### **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 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 also occasionally 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 (INCLUDING DIRECTORS' REPORT) (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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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.

The accounts of the charity are reviewed on a quarterly basis.

#### **b. Review of activities**

During the year, funds were granted to The Novak Djokovic Foundation (Serbia) to be used for running costs. There were no major fundraising activities undertaken during the year.

#### **c. Fundraising activities/Income generation**

Fundraising activities were limited during the year. No campaigns or fundraising activities took place in the UK.

### **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 provides 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 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. The Board has passed various policies 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 (INCLUDING DIRECTORS' REPORT) (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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### **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 the financial statements.

### **d. Material investments policy**

The Trustees have passed an Investment and Reserves Policy in prior years and an ongoing objective for the foreseeable future is the management 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.

The Foundation appointed Adam & Company, now Cannacord Accuity, as discretionary investment managers and at the balance sheet date, £419,779 was held in the portfolio. 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

# THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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### **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**

During the year, meetings of the Board of Trustees were held by telephone. There was also contact between Trustees and their equivalents in the USA and Serbia to discuss strategy and major decisions.

### **d. Policies adopted for the induction and training of Trustees**

The Trustees are satisfied that they have put in place appropriate 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**

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 into early childhood development.

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



David Lumley (Sep 29, 2023 10:23 GMT+1)

**David Lumley**

Trustee

Dated: 29 September 2023



# THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

## INDEPENDENT EXAMINER'S REPORT

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

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I report to the trustees on my examination of the financial statements of The Novak Djokovic Foundation (UK) Limited (the charity) for the year ended 31 December 2022.

#### **Responsibilities and basis of report**

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

#### **Independent examiner's statement**

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



Simon Evans FCA  
Lewis Evans Partnership LLP

The Oaks  
3 Village Road  
West Kirby  
Wirral  
CH48 3JN

Dated: 29 September 2023

# THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

### Current financial year

|  | Notes | Unrestricted funds<br>general<br>2022<br>£ | Unrestricted funds<br>designated<br>2022<br>£ | Total<br>2022<br>£ | Total<br>2021<br>£ |
|--|-------|--|---|--------------------|--------------------|
| <b><u>Income from:</u></b>               |       |  |   |                    |                    |
| Donations and legacies                   | 2     | 347  | -   | 347                | 1,054,580          |
| Interest income                          | 3     | 1,734                                      | -   | 1,734              | 284                |
| <b>Total income</b>                      |       | <b>2,081</b>                               | <b>-</b>                                      | <b>2,081</b>       | <b>1,054,864</b>   |
| <b><u>Expenditure on:</u></b>            |       |  |   |                    |                    |
| Raising funds                            | 4     | -  | 11,654  | 11,654             | 10,466             |
| Charitable activities                    | 5     | 229  | 583,474                                       | 583,703            | 442,524            |
| <b>Total expenditure</b>                 |       | <b>229</b>                                 | <b>595,128</b>                                | <b>595,357</b>     | <b>452,990</b>     |
| Net gains/(losses) on investments        | 10    | -  | (43,198)                                      | (43,198)           | 34,596             |
| <b>Net incoming resources</b>            |       | <b>1,852</b>                               | <b>(638,326)</b>                              | <b>(636,474)</b>   | <b>636,470</b>     |
| <b>Other recognised gains and losses</b> |       |  |   |                    |                    |
| Other gains or losses                    | 12    | -  | 119,074                                       | 119,074            | (19,630)           |
| <b>Net movement in funds</b>             |       | <b>1,852</b>                               | <b>(519,252)</b>                              | <b>(517,400)</b>   | <b>616,840</b>     |
| Fund balances at 1 January 2022          |       | 94,338                                     | 1,683,438                                     | 1,777,776          | 1,160,936          |
| <b>Fund balances at 31 December 2022</b> |       | <b>96,190</b>                              | <b>1,164,186</b>                              | <b>1,260,376</b>   | <b>1,777,776</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

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

Prior financial year

|  |       | Unrestricted<br>funds<br>general<br>2021<br>£ | Unrestricted<br>funds<br>designated<br>2021<br>£ | Total<br>2021<br>£      |
|--|-------|---|--|-------------------------|
|  | Notes |   |  |                         |
| <b><u>Income from:</u></b>               |       |   |  |                         |
| Donations and legacies                   | 2     | 2,414   | 1,052,166  | 1,054,580               |
| Interest income                          | 3     | 284   | -  | 284                     |
| <b>Total income</b>                      |       | <u>2,698</u>                                  | <u>1,052,166</u>                                 | <u>1,054,864</u>        |
| <b><u>Expenditure on:</u></b>            |       |   |  |                         |
| Raising funds                            | 4     | -   | 10,466   | 10,466                  |
| Charitable activities                    | 5     | 245   | 442,279  | 442,524                 |
| <b>Total expenditure</b>                 |       | <u>245</u>                                    | <u>452,745</u>                                   | <u>452,990</u>          |
| Net gains/(losses) on investments        | 10    | -   | 34,596   | 34,596                  |
| <b>Net incoming resources</b>            |       | <u>2,453</u>                                  | <u>634,017</u>                                   | <u>636,470</u>          |
| <b>Other recognised gains and losses</b> |       |   |  |                         |
| Other gains or losses                    | 12    | -   | (19,630)   | (19,630)                |
| <b>Net movement in funds</b>             |       | <u>2,453</u>                                  | <u>614,387</u>                                   | <u>616,840</u>          |
| Fund balances at 1 January 2021          |       | 91,885  | 1,069,051  | 1,160,936               |
| <b>Fund balances at 31 December 2021</b> |       | <u><u>94,338</u></u>                          | <u><u>1,683,438</u></u>                          | <u><u>1,777,776</u></u> |



# THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2022

|   | Notes | 2022<br>£ | £         | 2021<br>£ | £         |
|---|-------|-----------|-----------|-----------|-----------|
| <b>Fixed assets</b>                                   |       |           |           |           |           |
| Investments   | 13    |           | 419,779   |           | 468,856   |
| <b>Current assets</b>                                 |       |           |           |           |           |
| Debtors   | 14    | -         |           | 210,433   |           |
| Cash at bank and in hand                              |       | 857,577   |           | 1,104,787 |           |
|   |       | 857,577   |           | 1,315,220 |           |
| <b>Creditors: amounts falling due within one year</b> | 15    | (16,980)  |           | (6,300)   |           |
| Net current assets                                    |       |           | 840,597   |           | 1,308,920 |
| <b>Total assets less current liabilities</b>          |       |           | 1,260,376 |           | 1,777,776 |
| <b>Income funds</b>                                   |       |           |           |           |           |
| <u>Unrestricted funds</u>                             |       |           |           |           |           |
| Designated funds:                                     |       |           |           |           |           |
| Novak Djokovic donation fund                          |       | 1,164,186 |           | 1,683,438 |           |
|   | 17    | 1,164,186 |           | 1,683,438 |           |
| General unrestricted funds                            |       | 96,090    |           | 94,238    |           |
| Share capital   |       | 100       |           | 100       |           |
|   |       |           | 1,260,376 |           | 1,777,776 |
|   |       |           | 1,260,376 |           | 1,777,776 |

The charitable company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2022. No member of the charitable company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements.

The trustees acknowledge their responsibilities for ensuring that the charitable company 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 charitable 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 charitable 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 29 September 2023

*David Lumley*

David Lumley (Sep 29, 2023 10:23 GMT+1)

David Lumley  
Trustee

Company Registration No. 07980355

# THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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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, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

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 Income

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 2022

### 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.

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.

##### **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.

# THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 1 Accounting policies

(Continued)

#### **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.

### 2 Donations and legacies

|                     | Unrestricted<br>funds<br>general<br>2022<br>£ | Unrestricted<br>funds<br>general<br>2021<br>£ | Unrestricted<br>funds<br>designated<br>2021<br>£ | Total<br>2021<br>£ |
|---------------------|---|---|--|--------------------|
| Donations and gifts | 347   | 2,414   | 1,052,166  | 1,054,580          |

Donations include amounts of £Nil (2021: £1,052,166) received from Novak Djokovic, including recoverable gift aid.

### 3 Interest income

|                     | Unrestricted<br>funds<br>general<br>2022<br>£ | Unrestricted<br>funds<br>general<br>2021<br>£ |
|---------------------|---|---|
| Interest receivable | 1,734   | 284   |

# THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 4 Raising funds

|                                  | Unrestricted funds<br>designated<br>2022<br>£ | Unrestricted funds<br>designated<br>2021<br>£ |
|----------------------------------|---|---|
| <u>Fundraising and publicity</u> |   |   |
| Support costs                    | 5,775   | 4,451   |
| <u>Investment management</u>     | 5,879   | 6,015   |
|                                  | <u>11,654</u>                                 | <u>10,466</u>                                 |

### 5 Charitable activities

|  | Charitable<br>Expenditure<br>2022<br>£ | Charitable<br>Expenditure<br>2021<br>£ |
|--|--|--|
| Grant funding of activities (see note 6) | 544,790                                | 401,500                                |
| Share of support costs (see note 7)      | 3,302                                  | 3,171                                  |
| Share of governance costs (see note 7)   | 35,611                                 | 37,853                                 |
|  | <u>583,703</u>                         | <u>442,524</u>                         |
| <b>Analysis by fund</b>                  |  |  |
| Unrestricted funds - general             | 229                                    | 245                                    |
| Unrestricted funds - designated          | 583,474                                | 442,279                                |
|  | <u>583,703</u>                         | <u>442,524</u>                         |

### 6 Grants payable

|                         | 2022<br>£      | 2021<br>£      |
|-------------------------|----------------|----------------|
| Grants to institutions: |                |                |
| NDF Serbia              | <u>544,790</u> | <u>401,500</u> |

During the year a grant of £544,790 (2021: £401,500) was made to the Novak Djokovic Foundation Serbia (NDF Serbia) to cover operational costs.

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# THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 7 Support costs

|                                    | Support costs<br>£ | Governance costs<br>£ | 2022 Support costs<br>£ | Governance costs<br>£ | 2021<br>£     |
|------------------------------------|--------------------|-----------------------|-------------------------|-----------------------|---------------|
| Bank charges                       | 30                 | 15                    | 45                      | 62                    | 93            |
| Computer & IT support              | 3,287              | -                     | 3,287                   | 3,140                 | 3,140         |
| Subscriptions                      | 5,760              | -                     | 5,760                   | 4,420                 | 4,420         |
| Audit/Independent examination fees | -                  | 4,200                 | 4,200                   | -                     | 6,300         |
| Legal and professional             | -                  | 5,054                 | 5,054                   | -                     | 5,177         |
| Accountancy fees                   | -                  | 25,560                | 25,560                  | -                     | 25,560        |
| Other administrative charges       | -                  | 264                   | 264                     | -                     | 266           |
| Insurance                          | -                  | 518                   | 518                     | -                     | 519           |
|                                    | <u>9,077</u>       | <u>35,611</u>         | <u>44,688</u>           | <u>7,622</u>          | <u>45,475</u> |
| Analysed between                   |                    |                       |                         |                       |               |
| Fundraising                        | 5,775              | -                     | 5,775                   | 4,451                 | 4,451         |
| Charitable activities              | 3,302              | 35,611                | 38,913                  | 3,171                 | 41,024        |
|                                    | <u>9,077</u>       | <u>35,611</u>         | <u>44,688</u>           | <u>7,622</u>          | <u>45,475</u> |

### 8 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 2022

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### 9 Employees

The average monthly number of employees during the year was:

|       | 2022<br>Number    | 2021<br>Number    |
|-------|-------------------|-------------------|
| Total | -                 | -                 |
|       | <u>          </u> | <u>          </u> |

There were no employees whose annual remuneration was £60,000 or more.

# THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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

|                            | Unrestricted funds<br>designated<br>2022<br>£ | Unrestricted funds<br>designated<br>2021<br>£ |
|----------------------------|---|---|
| Revaluation of investments | (43,198)                                      | 34,596  |

### 11 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

### 12 Other gains or losses

|                                   | Unrestricted funds<br>designated<br>2022<br>£ | Unrestricted funds<br>designated<br>2021<br>£ |
|-----------------------------------|---|---|
| Foreign exchange (gains) / losses | (119,074)                                     | 19,630  |

# THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 13 Fixed asset investments

|   | Listed<br>investments<br>£ | Property<br>£ | Cash in<br>portfolio | Total<br>£  |
|---|----------------------------|---------------|----------------------|-------------|
| <b>Cost or valuation</b>                  |                            |               |                      |             |
| At 1 January 2022                         | 391,332                    | 29,648        | 47,876               | 468,856     |
| Additions                                 | 22,450                     | 10,000        | (32,450)             | -           |
| Valuation changes                         | (51,249)                   | (5,739)       | -                    | (56,988)    |
| Investment income                         | 9,516                      | 1,404         | 57                   | 10,977      |
| Management fees                           | -                          | -             | (3,066)              | (3,066)     |
| Transfers                                 | (9,259)                    | (1,404)       | 10,663               | -           |
| Disposals                                 | -                          | -             | -                    | -           |
| At 31 December 2022                       | 362,790                    | 33,909        | 23,080               | 419,779     |
| <b>Carrying amount</b>                    |                            |               |                      |             |
| At 31 December 2022                       | 362,790                    | 33,909        | 23,080               | 419,779     |
| At 31 December 2021                       | 391,332                    | 29,648        | 47,876               | 468,856     |
|   |                            |               | <b>2022</b>          | <b>2021</b> |
|   |                            |               | £                    | £           |
| Investments at fair value comprise:       |                            |               |                      |             |
| Equities                                  |                            |               | 242,537              | 252,350     |
| Fixed interest securities                 |                            |               | 120,253              | 138,982     |
| Alternative investments                   |                            |               | 33,909               | 29,648      |
| Cash held within the investment portfolio |                            |               | 23,080               | 47,876      |
|   |                            |               | 419,779              | 468,856     |

The investment objective is income and capital preservation, meaning that the portfolio is invested to generate income whilst maintaining the real value of capital over the longer term. The portfolio is invested across a range of asset classes and with a medium attitude to risk. However, as a result of the requirement to fund the grants mentioned in note 6 above and especially the grant related to the provision of funding of ventilators, which would not have been part of the normal activity of the foundation, funds were withdrawn from the investment portfolio in the prior year.

#### 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 2022

### 14 Debtors

|                                      | 2022<br>£ | 2021<br>£ |
|--------------------------------------|-----------|-----------|
| Amounts falling due within one year: |           |           |
| Other debtors                        | -         | 210,433   |

### 15 Creditors: amounts falling due within one year

|                              | 2022<br>£ | 2021<br>£ |
|------------------------------|-----------|-----------|
| Trade creditors              | 12,780    | -         |
| Accruals and deferred income | 4,200     | 6,300     |
|                              | 16,980    | 6,300     |

### 16 Share capital

|   | 2022<br>£ | 2021<br>£ |
|---|-----------|-----------|
| Ordinary share capital<br>Issued and fully paid<br>100 Ordinary shares of £1 each | 100       | 100       |

# THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 17 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<br>1 January 2021<br>£ | Movement in funds          |                            |   |   | Balance at<br>31 December<br>2022<br>£ |
|------------------------------|-----------------------------------|----------------------------|----------------------------|---|---|--|
|                              |                                   | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Revaluations,<br>gains and<br>losses<br>£ | Revaluations,<br>gains and<br>losses<br>£ |  |
| Novak Djokovic donation fund | 1,069,051                         | 1,052,166                  | (452,745)                  | 14,966                                    | (595,128)                                 | 1,164,186                              |
|                              | 1,069,051                         | 1,052,166                  | (452,745)                  | 14,966                                    | (595,128)                                 | 1,164,186                              |

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 was invested in 2017. The Foundation's aim in investing these funds was to generate returns on capital in order to provide funds to further its charitable aims for years to come. £1.3m was withdrawn from the investment portfolio in 2020 to fund grants to NDF Serbia. If surplus donations are received in future, it is possible that funds will be reinvested in the portfolio to enable the original objective of the portfolio to be met.

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.



# THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 18 Analysis of net assets between funds

|   | General fund  | Novak Djokovic donation fund | Total            | General fund  | Novak Djokovic donation fund | Total            |
|---|---------------|------------------------------|------------------|---------------|------------------------------|------------------|
|   | 2022          | 2022                         | 2022             | 2021          | 2021                         | 2021             |
|   | £             | £                            | £                | £             | £                            | £                |
| Fund balances at 31 December 2022 are represented by: |               |                              |                  |               |                              |                  |
| Investments   | -             | 419,779                      | 419,779          | -             | 468,856                      | 468,856          |
| Current assets/(liabilities)                          | 96,190        | 744,407                      | 840,597          | 94,338        | 1,214,582                    | 1,308,920        |
|   | <u>96,190</u> | <u>1,164,186</u>             | <u>1,260,376</u> | <u>94,338</u> | <u>1,683,438</u>             | <u>1,777,776</u> |

### 19 Events after the reporting date

In May 2023 the Foundation has paid an additional grant to the Novak Djokovic Foundation Serbia (NDF Serbia) of €420,000 (£363,162) to help fund infrastructural projects of NDF Serbia.

### 20 Related party transactions

Included within the accountancy and professional fees in note 7 are amounts payable to Arena Wealth Partners LLP of £25,560, inclusive of VAT (2021: £25,560). D P Lumley is a partner of Arena Wealth Partners LLP.

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

### 21 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.