

Charity registration number 1147341

Company registration number 07980355 (England and Wales)

THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Novak Djokovic Jelena Djokovic David Lumley
Secretary	Temple Secretarial Limited
Charity number	1147341
Company number	07980355
Registered office	Third Floor 20 Old Bailey London EC4M 7AN
Auditor	Lewis Evans Partnership LLP The Oaks 3 Village Road West Kirby Wirral CH48 3JN
Bankers	Adam & Company plc 6 Adelaide Street London WC2N 4HZ
Solicitors	Withers LLP 20 Old Bailey London EC4M 7AN

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 2021

The trustees present their annual report and financial statements for the year ended 31 December 2021.

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 2021

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 specifically for relief related to Covid 19, as well as for running costs. There were no major fundraising activities undertaken during the year, as these were not possible to organise. A donation from Novak Djokovic himself was received as detailed in this report and financial statements.

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 2021

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, £468,000 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 2021

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.

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.

THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED


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

FOR THE YEAR ENDED 31 DECEMBER 2021

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: 25/10/2022

THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2021

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 TRUSTEES OF THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

Opinion

We have audited the financial statements of The Novak Djokovic Foundation (UK) Limited (the 'charity') for the year ended 31 December 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including 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 2021 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 financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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 contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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 for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

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.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in 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 trustees 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 charitable 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

The key objectives of our audit are to identify and assess the risks of material misstatement within the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks.

Based on our understanding of the charitable company, we identified that the principal risks of non-compliance with laws and regulations related to potential breaches of the applicable regulations for charities, and we considered the extent to which non compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Statement of Recommended Practice applicable to charities and the Companies Act 2006

We have also considered the incentives and potential opportunities for manipulation of the financial statements (including the risk of override of controls), and the principal risk areas were considered to include journal entries which could manipulate results as well as potential management bias in any accounting estimates and judgemental areas of the financial statements.

Audit procedures performed by the engagement team included:

- Obtaining an understanding of how the charitable company is complying with the legal and regulatory frameworks by making enquiries of the Board and other management.
- Requesting and reviewing the minutes of meetings of those charged with governance.
- Reviewing any relevant regulatory data and internal compliance reporting in so far as they relate to potential non-compliance with laws and regulations and fraud.
- Identifying and testing journal entries, in particular any material year-end adjustments and any unusual journal entries that result in an increased risk.
- Assessing the susceptibility of the financial statements to material misstatement, including how fraud might occur. Audit procedures performed included:
 - identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
 - understanding how those charged with governance considered and addressed the potential for the override of controls or other inappropriate influence over the financial reporting process;
 - challenging any assumptions and judgments made by management;
 - reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
 - identifying and testing journal entries and other adjustments for appropriateness, and evaluating the rationale for any significant transactions outside of normal activities; and
 - assessing the extent of compliance with the relevant laws and regulations.

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.

Other matters

In the previous accounting period the financial statements were subject to an independent examination, and not an audit, and therefore the corresponding figures are unaudited.

THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

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

31 October 2022

Chartered Accountants
Statutory Auditor

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 2021

Current financial year

	Notes	Unrestricted funds general 2021 £	Unrestricted funds designated 2021 £	Total 2021 £	Total 2020 £
<u>Income from:</u>					
Donations and legacies	2	2,414	1,052,166	1,054,580	293,509
Interest income	3	284	-	284	167
Total income		2,698	1,052,166	1,054,864	293,676
<u>Expenditure on:</u>					
Raising funds	4	-	10,466	10,466	13,194
Charitable activities	5	245	442,279	442,524	987,540
Total expenditure		245	452,745	452,990	1,000,734
Net gains/(losses) on investments	10	-	34,596	34,596	(31,191)
Net incoming/(outgoing) resources		2,453	634,017	636,470	(738,249)
Other recognised gains and losses					
Other gains or losses	11	-	(19,630)	(19,630)	(1,630)
Net movement in funds		2,453	614,387	616,840	(739,879)
Fund balances at 1 January 2021		91,885	1,069,051	1,160,936	1,900,815
Fund balances at 31 December 2021		94,338	1,683,438	1,777,776	1,160,936

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 2021

Prior financial year

		Unrestricted funds general 2020 £	Unrestricted funds designated 2020 £	Total 2020 £
	Notes			
<u>Income from:</u>				
Donations and legacies	2	12,638	280,871	293,509
Interest income	3	64	103	167
Total income		12,702	280,974	293,676
<u>Expenditure on:</u>				
Raising funds	4	-	13,194	13,194
Charitable activities	5	234	987,306	987,540
Total expenditure		234	1,000,500	1,000,734
Net gains/(losses) on investments	10	-	(31,191)	(31,191)
Gross transfers between funds		2,144	(2,144)	-
Net incoming/(outgoing) resources		14,612	(752,861)	(738,249)
Other recognised gains and losses				
Other gains or losses	11	-	(1,630)	(1,630)
Net movement in funds		14,612	(754,491)	(739,879)
Fund balances at 1 January 2020		77,273	1,823,542	1,900,815
Fund balances at 31 December 2020		91,885	1,069,051	1,160,936

THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

BALANCE SHEET

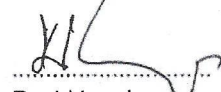
AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Investments	12		468,856		440,276
Current assets					
Debtors	14	210,433		73,501	
Cash at bank and in hand		1,104,787		649,859	
		<u>1,315,220</u>		<u>723,360</u>	
Creditors: amounts falling due within one year	15	(6,300)		(2,700)	
Net current assets			1,308,920		720,660
Total assets less current liabilities			<u>1,777,776</u>		<u>1,160,936</u>
Income funds					
<u>Unrestricted funds</u>					
Designated funds:					
Novak Djokovic donation fund		1,683,438		1,069,051	
	17	<u>1,683,438</u>		<u>1,069,051</u>	
General unrestricted funds		94,238		91,785	
Share capital		<u>100</u>		<u>100</u>	
			1,777,776		1,160,936
			<u>1,777,776</u>		<u>1,160,936</u>

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 25th October, 2022


 David Lumley
 Trustee

Company Registration No. 07980355

THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	22		454,644		(756,515)
Investing activities					
Proceeds on disposal of investments		-		1,300,000	
Investment income received		284		167	
Net cash generated from investing activities			284		1,300,167
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			454,928		543,652
Cash and cash equivalents at beginning of year			649,859		106,207
Cash and cash equivalents at end of year			1,104,787		649,859

THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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 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 2021

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 2021

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 funds general 2021 £	Unrestricted funds designated 2021 £	Total 2021 £	Unrestricted funds general 2020 £	Unrestricted funds designated 2020 £	Total 2020 £
Donations and gifts	2,414	1,052,166	1,054,580	12,638	280,871	293,509

Donations include amounts of £1,052,166 (2020: £280,871) received from Novak Djokovic, including recoverable gift aid.

3 Interest income

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £	Unrestricted funds designated 2020 £	Total 2020 £
Interest receivable	284	64	103	167

THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

4 Raising funds

	Unrestricted funds designated 2021 £	Unrestricted funds designated 2020 £
<u>Fundraising and publicity</u>		
Support costs	4,451	4,680
<u>Investment management</u>	6,015	8,514
	<u>10,466</u>	<u>13,194</u>

5 Charitable activities

	Charitable Expenditure 2021 £	Charitable Expenditure 2020 £
Grant funding of activities (see note 6)	401,500	951,319
Share of support costs (see note 7)	3,171	35
Share of governance costs (see note 7)	37,853	36,186
	<u>442,524</u>	<u>987,540</u>
Analysis by fund		
Unrestricted funds - general	245	234
Unrestricted funds - designated	442,279	987,306
	<u>442,524</u>	<u>987,540</u>

6 Grants payable

	2021 £	2020 £
Grants to institutions:		
NDF Serbia	<u>401,500</u>	<u>951,319</u>

THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

6 Grants payable

(Continued)

During the year a grant of \$551,232 (£401,500) was made to the Novak Djokovic Foundation Serbia (NDF Serbia) to cover central administrative costs.

In the prior year various grants were made by the Foundation to NDF Serbia to cover funds for the purchase of ventilators and associated equipment in Serbia to assist with the relief of illness brought about by Covid 19, and also for running costs of NDF Serbia, which was able to maintain some level of operations throughout the year.

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7 Support costs

	Support costs	Governance costs	2021	Support costs	Governance costs	2020
	£	£	£	£	£	£
Bank charges	62	31	93	70	35	105
Computer & IT support	3,140	-	3,140	-	-	-
Subscriptions	4,420	-	4,420	4,645	-	4,645
Audit/Independent examination fees	-	6,300	6,300	-	2,700	2,700
Legal and professional	-	5,177	5,177	-	7,068	7,068
Accountancy fees	-	25,560	25,560	-	25,560	25,560
Other administrative charges	-	266	266	-	269	269
Insurance	-	519	519	-	554	554
	<u>7,622</u>	<u>37,853</u>	<u>45,475</u>	<u>4,715</u>	<u>36,186</u>	<u>40,901</u>
Analysed between						
Fundraising	4,451	-	4,451	4,680	-	4,680
Charitable activities	3,171	37,853	41,024	35	36,186	36,221
	<u>7,622</u>	<u>37,853</u>	<u>45,475</u>	<u>4,715</u>	<u>36,186</u>	<u>40,901</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 2021

9 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 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 2021

10 Net gains/(losses) on investments

	Unrestricted funds designated 2021 £	Unrestricted funds designated 2020 £
Revaluation of investments	34,596	(31,191)

11 Other gains or losses

	Unrestricted funds designated 2021 £	Unrestricted funds designated 2020 £
Foreign exchange losses	19,630	1,630

THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

12 Fixed asset investments

	Listed investments £	Property £	Cash in portfolio	Total £
Cost or valuation				
At 1 January 2021	409,471	5,163	25,642	440,276
Additions	20,542	29,623	(50,165)	-
Valuation changes	22,051	1,037	-	23,088
Investment income	8,723	177	18	8,918
Management fees	-	-	(3,426)	(3,426)
Transfers	(2,526)	(6,352)	8,878	-
Disposals	(66,929)	-	66,929	-
At 31 December 2021	391,332	29,648	47,876	468,856
Carrying amount				
At 31 December 2021	391,332	29,648	47,876	468,856
At 31 December 2020	409,471	5,163	25,642	440,276
			2021	2020
			£	£
Investments at fair value comprise:				
Equities			252,350	215,076
Fixed interest securities			138,982	194,395
Alternative investments			29,648	5,163
Cash held within the investment portfolio			47,876	25,642
			468,856	440,276

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 2021

13 Financial instruments	2021	2020
	£	£
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	468,856	440,276
	<u> </u>	<u> </u>
14 Debtors	2021	2020
	£	£
Amounts falling due within one year:		
Amount owed by parent undertaking	-	17,327
Other debtors	210,433	56,174
	<u> </u>	<u> </u>
	<u>210,433</u>	<u>73,501</u>
	<u> </u>	<u> </u>
Amounts owed by group undertakings relate to amounts due at the prior year end from the Novak Djokovic Foundation (USA). These amounts have been fully repaid in the year.		
15 Creditors: amounts falling due within one year	2021	2020
	£	£
Accruals and deferred income	6,300	2,700
	<u> </u>	<u> </u>
16 Share capital	2021	2020
	£	£
Ordinary share capital		
Issued and fully paid		
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 2021

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:

	Movement in funds					Movement in funds				
	Balance at 1 January 2020	Incoming resources	Resources expended	Transfers	Revaluations, gains and losses	Balance at 1 January 2021	Incoming resources	Resources expended	Revaluations, gains and losses	Balance at 31 December 2021
	£	£	£	£	£	£	£	£	£	£
Novak Djokovic donation fund	1,823,542	280,974	(1,000,500)	(2,144)	(32,821)	1,069,051	1,052,166	(452,745)	14,966	1,683,438
	<u>1,823,542</u>	<u>280,974</u>	<u>(1,000,500)</u>	<u>(2,144)</u>	<u>(32,821)</u>	<u>1,069,051</u>	<u>1,052,166</u>	<u>(452,745)</u>	<u>14,966</u>	<u>1,683,438</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 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 2021

18 Analysis of net assets between funds

	General fund	Novak Djokovic donation fund	Total General fund		Novak Djokovic donation fund	Total
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Fund balances at 31 December 2021 are represented by:						
Investments	-	468,856	468,856	-	440,276	440,276
Current assets/ (liabilities)	94,338	1,214,582	1,308,920	91,885	628,775	720,660
	<u>94,338</u>	<u>1,683,438</u>	<u>1,777,776</u>	<u>91,885</u>	<u>1,069,051</u>	<u>1,160,936</u>

19 Events after the reporting date

In October 2022 the Foundation has paid an additional grant to the Novak Djokovic Foundation Serbia (NDF Serbia) of \$625,000, to help fund the NDF Serbia operational running costs.

20 Related party transactions

Included within the accountancy and professional fees in note 8 are amounts payable to Arena Wealth Partners LLP of £25,560, inclusive of VAT (2020: £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.

22 Cash generated from operations

	2021 £	2020 £
Surplus/(deficit) for the year	636,470	(738,249)
Adjustments for:		
Investment income recognised in statement of financial activities	(284)	(167)
Foreign exchange differences	(19,630)	(1,630)
Fair value gains and losses on investments	(34,596)	31,191
Investment management fees paid from funds invested	6,016	8,514
Movements in working capital:		
(Increase) in debtors	(136,932)	(56,174)
Increase in creditors	3,600	-
Cash generated from/(absorbed by) operations	<u>454,644</u>	<u>(756,515)</u>

THE NOVAK DJOKOVIC FOUNDATION (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

23 Analysis of changes in net funds

The charity had no debt during the year.