




FUNDACIÓN RAFA NADAL

ABRIDGED ANNUAL ACCOUNTS FOR THE FINANCIAL YEAR
2017 TOGETHER WITH THE AUDIT REPORT ON THE
ABRIDGED ANNUAL ACCOUNTS ISSUED BY AN INDEPENDENT
AUDITOR





FUNDACIÓN RAFA NADAL

Abridged Annual Accounts for the
Financial year 2017 together with
the audit report on the Abridged Annual
Accounts issued by an independent auditor

AUDIT REPORT ON THE ABRIDGED ANNUAL ACCOUNTS ISSUED BY AN INDEPENDENT AUDITOR

ABRIDGED ANNUAL ACCOUNTS FOR THE FINANCIAL YEAR 2017:

Abridged Balance Sheets at December 31, 2017 and 2016
Abridged Profit and Loss Accounts for the financial years 2017 and 2016
Abridged Statement of Changes in Shareholder's Equity for the financial years 2017 and 2016
Notes to the accounts for the financial year 2017



FUNDACIÓN RAFA NADAL

AUDIT REPORT ON THE ABRIDGED ANNUAL ACCOUNTS ISSUED BY AN INDEPENDENT AUDITOR

*(Translation of the audit report originally issued in Spanish.
In the event of discrepancy, the Spanish version prevails)*

Audit report on the abridged annual accounts issued by an independent auditor

To the Board of Trustees of **FUNDACIÓN RAFA NADAL**:

Report on the Abridged Annual Accounts

We have audited the attached abridged annual accounts of **FUNDACIÓN RAFA NADAL** (hereinafter, "the Foundation"), which comprise the abridged balance sheet as of 31 December 2017, the abridged profit and loss accounts and the notes for the financial year thereto.

In our opinion, the accompanying abridged annual accounts show, in all material respects, the true and fair view of the net equity and the financial position of the foundation of December 31, 2017 as well as its results for the financial year thereto, in accordance with the application of the regulatory framework of financial information (identified in note 2 of the Annual Accounts) and, in particular, with the accounting principles and criteria contained therein.

Basis for opinion

We have performed our audit in accordance with the current regulations governing the Audit practice in Spain. Our responsibilities in accordance with these regulations are described below in the section "*The auditor's responsibility for the audit of the abridged annual accounts*" of our audit report.

We are independent of the Foundation in accordance with the ethical requirements, including those concerning independence, which are applicable to auditing financial statements in Spain, as required by the legislation governing the auditing of accounts. Accordingly, we have not provided services other than those of auditing the accounts, nor have situations or circumstances been present that, pursuant to the provisions of said regulatory legislation, have affected our necessary independence in such a way that it would have been compromised.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Most relevant audit matters

The most relevant audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the current financial year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon; we do not provide a separate opinion on these matters.

Most relevant audit matters	Audit response
Cut-off in the recognition of income:	We have carried out, among others, the following audit procedures:
As shown in the profit and loss account of the accompanying abridged annual accounts, the net turnover of the activity of the Foundation in 2017 amounted 2,065 thousand Euros. We have considered the cut-off associated to the revenue recognition as the most significant risk area during our audit work, given that for its calculation and its booking, judgement and estimations from the Management are required.	<ul style="list-style-type: none">- We have understood the accounting policies and procedures applied by the Foundation.- We have made a statistical sampling of revenues and have analyzed the related documentation generated.- Analytical procedures to check the consistency of sales compared to previous years.- We have carried out tests to verify the correct cut-off on the income of the own activity and the other income of the activity, made at year-end.

Responsibility of the Trustees for the abridged annual accounts

The Trustees are responsible for preparing the attached abridged annual accounts, so that they give a true and fair image of the net equity, the financial situation and the results of Foundation, in accordance with the regulatory framework of financial information applicable to Foundations in Spain, and of the internal control that they consider necessary to allow the preparation of abridged annual accounts free of material misstatements, whether due to fraud or error.

In the drawn-up of the annual accounts, the Trustees are responsible for assessing the Foundation's ability to continue as a going concern basis, revealing, if appropriate, the matters related with the Foundation under operating basis and using the going-concern principle except if the directors intend to liquidate the Foundation or cease operations, or if there is no other realistic alternative.

The auditor's responsibility for the audit of the abridged annual accounts

Our objectives are to obtain reasonable assurance that the abridged annual accounts as a whole are free from material misstatement, due to fraud or error, and issue an audit report that contains our opinion.

Reasonable assurance is a high degree of assurance, but does not guarantee that an audit conducted in accordance with the regulations governing the audit activity in force in Spain will always detect a material misstatement, if it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these abridged annual accounts.

As part of an audit in accordance with the current regulations governing the audit practice in Spain, we make professional judgment and maintain an attitude of professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement in the abridged annual accounts, due to fraud or error, design and apply audit procedures in order to respond to such risks and obtain sufficient and adequate audit evidence to provide a basis for our opinion. The risk of not detecting a material misstatement due to fraud is higher than in the case of a material misstatement due to error, since the fraud may involve collusion, falsification, deliberate omissions, intentionally erroneous statements, or circumvention of internal control.
- We obtain knowledge of relevant audit internal control in order to design audit procedures that are appropriate to the circumstances, and not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- We evaluate if the accounting policies applied are adequate, and the reasonableness of the accounting estimates and the corresponding information disclosed by the board of Trustees.
- We conclude on whether the use of the accounting going concern principle by the Administrators is adequate and, based on the audit evidence obtained, we conclude on whether or not there is a material uncertainty related to facts or conditions that may generate significant doubts about the ability of the Company to continue as going concern company. If we conclude that there is material uncertainty, we are required to draw attention in our audit report to the corresponding information disclosed in the abridged annual accounts, or, if such disclosures are not appropriate, that we express an amended opinion. Our conclusions are based on the audit evidence obtained to date from our audit report. However, future events or conditions may cause the Foundation to cease to be a going concern company.
- We evaluate the overall presentation, structure and content of the abridged annual accounts, including the information disclosed, and whether the abridged annual accounts represent the underlying transactions and events in a way that manages to express the true company image.

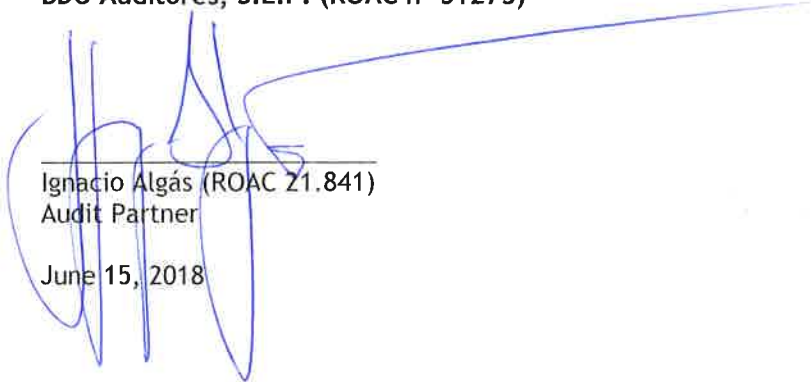
We communicate to the board of Trustees regarding, among other matters, the scope and timing of the planned audit procedures and the significant findings of the audit, as well as any significant internal control deficiencies that we identified during the course of the audit.

IV

Among the significant risks that have been reported to the board of Trustees, we will determine those that have been most significant in the audit of the abridged annual accounts of the current period and that are, consequently, the risks considered most significant.

We describe these risks in our audit report unless legal or regulatory provisions ban the public disclosure of the matter.

BDO Auditores, S.L.P. (ROAC nº S1273)

A large, stylized handwritten signature in blue ink is written over the text and extends across the page.

Ignacio Algás (ROAC 21.841)
Audit Partner

June 15, 2018

FOUNDATION: RAFA NADAL

REGISTRATION NO.: 1539

EMPLOYER IDENTIFICATION NO.: G57533473

YEAR: 2017

Fdo.: El Secretario

A handwritten signature in blue ink, appearing to be 'J. J. Nadal', written over a horizontal line.

Vº Bº: El Presidente

A handwritten signature in blue ink, appearing to be 'J. J. Nadal', written over a horizontal line.

NOTES TO THE ABRIDGED FINANCIAL STATEMENTS

FOUNDATION RAFA NADAL

BALANCE SHEETS AS OF DECEMBER 31, 2017 AND 2016 (Stated in Euros)

ASSETS	Notes	2017	2016
A) NON-CURRENT ASSETS		1.354.319,46	2.384.904,80
I. Intangible assets	5	294.529,99	299.450,25
II. Historical Heritage Assets		-	-
III. Tangible assets	5	1.038.605,82	1.074.270,90
IV. Investment property		-	-
V. Non-current investments in Group companies and associates		-	-
VI. Non-current financial assets	7	21.183,65	1.011.183,65
VII. Deferred tax assets		-	-
VIII. Non- current debtors:		-	-
B) CURRENT ASSETS		3.902.468,49	2.020.227,99
I. Non-current assets classified as held for sale		-	-
II. Inventories		13.609,11	10.246,36
III. Users and other debtors of the activity		-	-
IV. Trade and other receivables	7, 10	182.403,30	155.173,43
V. Current investments in Group companies and associates		-	-
VI. Current financial assets	7	1.000.000,00	-
VII. Current prepayments and accrued income		64.314,10	2.000,00
VIII. Cash and cash equivalents	8	2.642.141,98	1.852.808,20
TOTAL ASSETS (A+B)		5.256.787,95	4.405.132,79

Fdo.: El Secretario



Vº Bº: El Presidente



FOUNDATION RAFA NADAL

BALANCE SHEETS AS OF DECEMBER 31, 2017 AND 2016
(Stated in Euros)

	Notes	2017	2016
EQUITY AND LIABILITIES			
A) EQUITY		4.435.400,75	3.598.343,60
A-1) Shareholders' equity	12	4.143.164,34	3.299.799,93
I. Foundation endowment		30.000,00	30.000,00
1. Foundation endowment		30.000,00	30.000,00
II. Reserves		-	-
III. Surplus from previous years		3.270.096,79	2.524.148,87
IV. Surplus for the year		843.067,55	745.651,06
A-2) Adjustments for changes in value		-	-
A-3) Grants, donations or gifts and legacies received	15	292.236,41	298.543,67
		457.035,07	555.167,16
B) NON-CURRENT LIABILITIES			
I. Long-term provisions		-	-
II. Non-current payables	9	457.035,07	555.167,16
1. Bank borrowings		457.035,07	555.167,16
III. Non-current payables to Group companies and associates		-	-
IV. Deferred tax liabilities		-	-
V. Non-current accruals and deferred income		-	-
VI. Non-current payables		-	-
		364.352,13	251.622,03
C) CURRENT LIABILITIES			
I. Liabilities associated with non-current assets classified as held for sale		-	-
II. Short-term provisions		22.131,96	22.131,96
III. Current payables	9	98.132,09	96.238,59
1. Bank borrowings		98.132,09	96.238,59
IV. Current payables to Group companies and associates		-	-
V. Beneficiaries, Creditors		-	-
VI. Trade and other payables	9, 11	244.088,08	122.838,38
1. Payable to suppliers		11.347,86	11.704,46
2. Other creditors		232.740,22	111.133,92
VII. Current accruals and deferred income		-	10.413,10
TOTAL EQUITY AND LIABILITIES (A+B+C)		5.256.787,95	4.405.132,79

Fdo.: El Secretario



Vº Bº: El Presidente



FOUNDATION RAFA NADAL
PROFIT AND LOSS ACCOUNTS
FOR THE FINANCIAL YEARS 2017 AND 2016
(Stated in Euros)

	NOTES	2017	2016
A. Surplus for the year			
1. Income from the activity	16.3	2.065.307,46	1.941.218,00
c) Income promotions, sponsors and collaborations		834.911,91	835.656,43
d) Grants, donations and legacies charged surplus for the year	14	1.230.395,55	1.105.561,57
2. Sales and other revenue from commercial activity	16.3	28.037,43	23.393,57
3. Aid and other expenses	14	(636.378,80)	(564.929,17)
a) monetary aid		(636.378,80)	(564.929,17)
4. Changes in inventories of finished goods and work in progress	14	3.522,83	7.610,38
5. Work performed by the entity and capitalized		-	-
6. Procurements	14	(209.317,90)	(202.273,19)
7. Other income from operations	16.3	360.941,00	10.584,00
a) Sundry and other management	14	360.941,00	10.584,00
8. Staff costs	14	(408.441,64)	(182.105,41)
9. Other business expenses	14	(287.530,64)	(223.259,35)
10. Depreciation and amortization	5	(55.713,55)	(56.519,10)
11. Grants, donations and bequests transferred to capital surplus for the year	15	6.307,26	6.307,26
a) Affected by the activity		6.307,26	6.307,26
13. Impairment and loss on disposal of fixed assets		-	-
A.1) SURPLUS OF ACTIVITY (1+2+3+4+5+6+7+8+9+10+11+12+13+13**+13**)		866.733,45	760.026,99
14. financial income		68,54	171,36
15. Financial charges		(11.845,29)	(13.702,27)
16. Change in fair value of financial instruments		-	-
17. Exchange differences		-	-
18. Impairment and gains on disposal of financial instruments		-	-
A.2) SURPLUS OF FINANCIAL TRANSACTIONS (14+15+16+17+18+18*)		(11.776,75)	(13.530,91)
A.3) SURPLUS BEFORE TAXES (A.1+A.2)		854.956,70	746.496,08
19. Income tax		(11.889,15)	(845,02)
A.4) CHANGES IN EQUITY RECOGNIZED IN EXCESS OF THE YEAR (A.3+19)		843.067,55	745.651,06
B. Income and expense recognized directly in equity **			
1. Grants received		-	-
2. Donations and bequests		-	-
3. Other income and expenses		-	-
4. Tax effect		-	-
B.1) CHANGES IN EQUITY INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY (1+2+3+4)		-	-
C) Reclassifications surplus for the year			
1. Grants received		-	-
2. Donations and bequests		(6.307,26)	(6.307,26)
C.1) CHANGES IN EQUITY FOR THE YEAR SURPLUS RECLASSIFICATIONS (1+2+3+4)		(6.307,26)	(6.307,26)
D) Changes in equity for income and expense recognized directly in equity (B.1+C.1) **		(6.307,26)	(6.307,26)
I) TOTAL RESULT, CHANGES IN NET ASSETS FOR THE YEAR (A.4+D+E+F+G+H)		836.760,29	739.343,80

Fdo.: El Secretario

Vº Bº: El Presidente

FOUNDATION RAFA NADAL

ANNUAL REPORT FOR THE FINANCIAL YEAR 2017

NOTE 1. ACTIVITIES OF THE FOUNDATION

a) Per its bylaws, the objects of the Foundation are as follows:

- a.- To organize, inter alia, exhibition matches, charity matches, friendly matches, courses, congresses, auctions, conventions, conferences, competitions, exhibitions and seminars.
- b.- To publish and disseminate books, magazines, pamphlets and other publications aimed at furthering social development and employment.
- c.- The award of prizes, scholarships and economic aid.
- d.- To promote cooperation programs for the development and participation of volunteers and to provide sports-related information and technical assistance for the groups in society most in need.
- e.- To promote the organization of courses, programs and projects in the field of social welfare and cooperation for development, in collaboration with other entities.
- f.- Any other activity that might contribute to the achievement of the Foundation's goals.

b) The activities carried out in 2017 were as follows:

Activity 1: The foundation built in 2015 the "Rafa Nadal Foundation Center", a structure that is located in one of the most disadvantaged areas of Palma de Mallorca at the confluence between the neighborhoods of La Soledad and Nou Llevant. Since then the entity has developed a comprehensive program at the center aimed at children and young people between 6 and 17 years of age in a situation of poverty or risk of social exclusion and who present difficulties for their integration into society. The objective is to provide the more than 200 children attending a supplement to their school education using as their main tool sports, education and psychological care.

Activity 2: Since its founding, the first program of sports and academic scholarships has been started, which, under the name of "Study and Play", aims to make it possible for young Spanish athletes to combine high level sport with university studies in the United States. During the 2016, program activation year, 10 scholarships had been awarded to different athletes (tennis and pole vault) for several university degrees (engineering, economics / business, etc.); in 2017 the number Study & Play scholarship awarded was 14, adding to the 10 already awarded in the previous year.

Fdo.: El Secretario



Vº Bº: El Presidente



Activity 3: The foundation has provided funding and support at the organizational level to three social action projects in collaboration with other charities:

a.- "Integration and Sport": this is a program carried out in collaboration with SOS Children's Villages in order to favor the personal and social development of the most vulnerable children and young people, bringing sport and its values closer to where the children are. Are in situations of isolation and risk of social exclusion. They are attended to almost 230 children between the three cities where the project is developed: Barcelona, Granada and Zaragoza.

b.- "Anantapur Educational Center": this project is carried out in India thanks to the collaboration with the Vicente Ferrer Foundation. It is based on a school of integral education and a center of training and practice of tennis, fomenting the use of this sport like tool of social integration, besides the formation in computer science and English, the school support and the nutritional and sanitary coverage. The beneficiaries of the program are 170 children between the ages of 7 and 16.

c.- "More than Tennis": this project, in collaboration with Special Olympics Spain, offers young people with intellectual disabilities the opportunity to practice this sport, through which they work both physical and coordination aspects as well as intellectual and social. It is carried out in 17 schools in seven Spanish autonomous communities, where more than 150 beneficiaries between 16 and 30 years old are served.

Activity 4: The foundation has organized in 2017 the fourth edition of the youth tennis circuit called "Rafa Nadal Tour by Mapfre", whose profits are destined to finance the aforementioned activities. The participants of the tour are Spanish boys of sub 12 and sub 14 categories, regularly registered and licensed by the Royal Spanish Tennis Federation. This circuit differs from others in the sector by combining sports competition with an educational side and promoting the values of sport through the realization, in each of the tournaments, of activities both playful and educational, under the name of "Training in values".

Activity 5: The foundation receives every year the benefits of the on-line sale of solidarity products made through the website www.rafaelnadal-shop.com, managed by the company E-Solutions. This company is responsible for the distribution and / or production and / or promotion of the products, and then carries out an annual liquidation of the mentioned benefits according to the rules indicated in the contract between the parties.

Activity 6: From 2016, the foundation receives the economic part that corresponds to it (according to the agreement between the foundation and the management company of the sports complex called "Rafa Nadal Sport Center") of the benefits derived from both the entries of the museum "Sport Xperience by Rafa Nadal "and the sale of solidarity products made in the store attached to the same museum. The articles, mainly produced by the foundation, are available to all those visitors who come to the facilities mentioned above and located in Manacor.

Fdo.: El Secretario



Vº Bº: El Presidente



Activity 7: The foundation has launched another scholarship program for boys and girls tennis players between 14 and 20 years old from different countries of the world who have shown potential as professional tennis players in recent years to offer them an important opportunity to do so following the methodology based in the values of sport and combined with the importance of the studies that are implemented in the Rafa Nadal Academy by Movistar.

c) The registered office of the Foundation is:

Foundation Rafa Nadal ("the Foundation" or "the Entity") was set up on 20 November 2007 with its registered office at calle Pau Claris, number 155, 3º 1ª, Barcelona. On 24 April 2012, the Board of Trustees resolved to move the registered office to Avenida Diagonal, number 618, Planta 5ª, puerta A, Barcelona.

The Foundation has had its own legal personality and full legal capacity to act since it was legally formed; with no limitations other than those expressly provided for by law or by its bylaws.

Until 11 February 2013 the Foundation was registered in the Foundations Registry of the former Spanish Ministry of Health, Social Policy and Equality under no. 07-0053. Since that date and in accordance with the general interest of its aims, the Foundation has been registered in the Foundations Registry of the current Spanish Ministry of Education, Culture and Sport under national no. 1,539 (identification no.: G-57.533.473).

The Foundation operates throughout Spain and also operates internationally.

Its reporting period runs from 1 January to 31 December.

In view of the activities carried on by the Foundation, it does not have any environmental liability, expenses, assets, provisions or contingencies that might be material with respect to its equity, financial position or results. Therefore, no specific disclosures relating to environmental issues are included in these notes to the abridged financial statements.

NOTE 2. BASIS OF PRESENTATION OF THE ABRIDGED FINANCIAL STATEMENTS

Fair presentation and regulatory financial reporting framework applicable to the Foundation.

The accompanying abridged financial statements, which were obtained from the Foundation's accounting records, are presented in accordance with the regulatory financial reporting framework applicable to the Foundation and, accordingly, present fairly the Foundation's equity, financial position and results of operations during this year. In particular, the regulatory financial reporting framework applicable to the Foundation consists of:

- a.- The Spanish Commercial Code and all other Spanish corporate law.

Fdo.: El Secretario



Vº Bº: El Presidente



b.- Foundations Law 50/2002, of 26 December, and Law 49/2002, of 23 December, on the tax regime of not-for-profit entities and tax incentives for patronage, and the related implementing regulations.

c.- The Spanish National Chart of Accounts approved by Royal Decree 1514/2007 and its industry adaptations; in particular, Royal Decree 1491/2011, of 24 October, approving the rules adapting the Spanish National Chart of Accounts for not-for-profit entities and the action plan model for not-for-profit entities. Also, the Spanish Accounting and Audit Institute (ICAC) Resolution approving the Spanish National Chart of Accounts for not-for-profit entities, of 26 March 2013.

d.- The mandatory rules approved by the Spanish Accounting and Audit Institute in order to implement the Spanish National Chart of Accounts and the relevant secondary legislation.

e.- All other applicable Spanish accounting legislation.

These abbreviated annual accounts, which have been formulated by the Board of Trustees, will be subject to the approval of the Board of Trustees and are expected to be approved without any modification. For its part, the abbreviated annual accounts for the year 2017 were approved by the Board of Trustees of the Foundation on June 14, 2018.

Non-obligatory accounting principles applied.

No non-obligatory accounting principles were applied. Also, the Foundation's Board of Trustees formally prepared these abridged financial statements taking into account all the obligatory accounting principles and standards with a significant effect hereon. All obligatory accounting principles were applied.

Key issues in relation to the measurement and estimation of uncertainty.

In preparing the accompanying abridged financial statements estimates were made by the Board of Trustees in order to measure certain of the assets, liabilities, income, expenses and obligations reported herein. These estimates relate basically to the following:

- 1.- The useful life of intangible assets and property, plant and equipment (see Notes 4.1 and 4.2).
- 2.- The calculation and estimation of provisions (see Note 4.10).

Although these estimates were made on the basis of the best information available at 2017 year-end, events that take place in the future might make it necessary to change these estimates (upwards or downwards) in coming years. Changes in accounting estimates would be applied prospectively.



Comparative information.

The accompanying abridged financial statements for 2017 are the sixth that the Foundation's Board of Trustees has prepared in accordance with the rules adapting the Spanish National Chart of Accounts for not-for-profit entities approved by Royal Decree 1491/2011. Therefore there is no cause that prevents compare the accounts with those of the year preceding it.

Items included under several line items.

Certain items in the abridged balance sheet and abridged income statement are grouped together to facilitate their understanding; however, whenever the amounts involved are material, the information is broken down in the related notes to the abridged financial statements.

Changes in accounting policies.

In the year 2017, in order to show more adequately the nature of the monetary aid, the aid allocated to the Rafa Nadal Foundation is presented under the heading "expenses for aid and others", in this sense and to show the comparability, the same item corresponding to the year 2016 is reclassified in this same section, previously reflected in "supplies" for an amount of 201,670.83 euros.

In 2017 there were no significant changes in accounting policies with respect to those applied in 2016.

Correction of errors.

No errors were corrected in the figures for 2017 or in the comparative figures.

NOTE 3. DISTRIBUTION OF PROFIT

Proposed allocation of the profit for the year:

The proposal to apply the positive surplus of the year made by the Board of Trustees and to be submitted to the approval of the Board of Trustees is as follows:

	2017	2016
Distribution base:		
Profit obtained in the financial year	843.067,55	745.651,06
Distribution to:		
Prior years' surplus/deficit	843.067,55	745.651,06

Fdo.: El Secretario



Vº Bº: El Presidente



Information on the legal limitations on the allocation of surpluses/deficits:

There are no legal limitations on the allocation of results.

NOTE 4. ACCOUNTING POLICIES

The main accounting policies used by the Foundation in preparing its abridged financial statements for 2017, in accordance with Royal Decree 1491/2011, of 24 October, approving the rules for the adaptation of the Spanish National Chart of Accounts for not-for-profit entities and the action plan model for not-for-profit entities, to the extent that those rules do not contradict the Spanish National Chart of Accounts, were as follows:

4.1.- Intangible assets.

As a general rule, intangible assets are recognized initially at acquisition cost. They are subsequently measured at cost less any accumulated amortization and any accumulated impairment losses. These assets are amortized over their years of useful life.

Computer software:

The Foundation recognizes under "Computer Software" the costs incurred in the acquisition and development of computer programs, including website development costs. Computer software maintenance costs are recognized with a charge to the income statement for the year in which they are incurred. Computer software is amortized on a straight-line basis over four years.

Administrative concessions:

On 30 April the Town Council of Palma de Mallorca agreed in granting the concession of a plot of land for the Foundation. The concession has as its purpose the development of a social rehabilitation program aimed to children based on the sport practice and the development of educational, social and familiar support programs in a sector of the city formed, mainly, by two neighborhoods that have high percentages of social exclusion. The concession has been granted for a period of 50 years and it is free of charge.

Likewise, the Foundation is committed to carry out the work realization and maintenance, constructions and facilities financing with own and third party funds but on no account resorting to a mortgage the property right of the works for the fulfillment of the purpose of the concession.

The heading "Intangible assets - administrative concessions" includes the fair value of the land according to a report conducted by an independent expert dated May 15, 2015.

4.2.- Property, plant and equipment.

Property, plant and equipment are initially recognized at acquisition cost and are subsequently reduced by the related accumulated depreciation and by any impairment losses recognized.

Fdo.: El Secretario



Vº Bº: El Presidente



Property, plant and equipment upkeep and maintenance expenses are recognized in the abridged income statement for the year in which they are incurred. However, the costs of improvements leading to increased capacity or efficiency or to a lengthening of the useful lives of the assets are capitalized.

The Foundation depreciates its property, plant and equipment by the straight-line method at annual rates based on the years of estimated useful life of the assets, the detail being as follows:

	Percentage of Amortization
Plant	12%
Other fixtures	15%
Furniture	10%
Computer hardware	20%
Transport equipment	20%
Buildings	3%

Whenever there are indications of impairment, the Foundation tests the tangible assets for impairment to determine whether the recoverable amount of the assets has been reduced to below their carrying amount.

Impairment is considered to exist when the carrying amount of an asset is higher than its recoverable amount, which is understood to be the higher of fair value less costs to sell and value in use. For these purposes, value in use is determined on the basis of replacement cost.

At 31 December 2017, the Foundation's Board of Trustees considered that there were no indications that the Foundation's assets might have become impaired.

4.3.- Leases.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. All other leases are classified as operating leases.

Operating leases

Lease expenses from operating leases are recognized in profit or loss on an accrual basis.

A payment made on entering into or acquiring a leasehold that is accounted for as an operating lease represents prepaid lease payments that are amortized over the lease term in accordance with the pattern of benefits provided.



4.4.- Financial instruments.

Financial assets:

The financial assets held by the Foundation are classified in the following categories:

Loans and receivables:

Financial assets arising from the sale of goods or the rendering of services in the ordinary course of the Foundation's business, or financial assets which, not having commercial substance, are not equity instruments or derivatives, have fixed or determinable payments and are not traded in an active market. This category includes long-term guarantees provided to third parties.

Investments held to maturity:

They correspond to debt securities with a fixed maturity date, which involve charges or determinable amount, and for which the Foundation has the intention and ability to retain until maturity.

They are initially measured at fair value, which equals the fair value of the consideration paid plus transaction costs are directly attributable.

In subsequent valuation they are measured at amortized cost. The interests are recognized in the Profit and Loss, by applying the effective interest rate.

At year end, the necessary value adjustments are made if there is objective evidence that the value of an asset has deteriorated. The impairment loss corresponds to the difference between book value and market value of the instruments.

Initial recognition:

Financial assets are initially recognized at the fair value of the consideration given, plus any directly attributable transaction costs.

Subsequent measurement:

Loans and receivables are measured at amortized cost.

The Foundation derecognizes a financial asset when the rights to the cash flows from the financial asset expire or have been transferred and substantially all the risks and rewards of ownership of the financial asset have also been transferred.

However, the Foundation does not derecognize financial assets, and recognizes a financial liability for an amount equal to the consideration received, in transfers of financial assets in which substantially all the risks and rewards of ownership are retained the Foundation unsubscribe financial assets when they expire or have given the rights to the cash flows of the financial assets and have been substantially transferred the risks and rewards or ownership.



Financial liabilities:

Financial liabilities include accounts payable by the Foundation that have arisen from the purchase of goods or services in the normal course of the Foundation's business and those which, not having commercial substance, cannot be classed as derivative financial instruments.

Accounts payable are initially recognized at the fair value of the consideration received, adjusted by the directly attributable transaction costs. These liabilities are subsequently measured at amortized cost.

The Foundation derecognizes financial liabilities when the obligations giving rise to them cease to exist.

4.5.- Inventories.

Inventories are initially recognized at acquisition or production cost. Trade discounts, rebates, other similar items and interest included in the face value of the related payables are deducted in determining the costs of purchase. Inventories received for no consideration are recognized at fair value.

Production cost includes the costs of direct materials and, where applicable, direct labor and production overheads.

Also, the Foundation distinguishes between inventories that generate cash flows and those which do not, the latter being those whose purpose is not to generate an economic benefit but rather to contribute to the achievement of the Foundation's objective of serving society.

The Foundation writes down its inventories when their realizable value is lower than their carrying amount. Net realizable value is the estimated selling price less the estimated costs of completion and costs to be incurred in marketing, selling and distribution. In order to determine the amount of any write-down in the case of inventories that do not generate cash flows, the recoverable amount of the inventories is taken to be the higher of net realizable value and replacement cost.

4.6.- Foreign currency transactions.

The Foundation's functional currency is the euro. Therefore, transactions in currencies other than the euro are deemed to be "foreign currency transactions" and are recognized by applying the exchange rates prevailing at the date of the transaction.

At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated to euros at the rates then prevailing. Any resulting gains or losses are recognized directly in the income statement in the year in which they arise.

Fdo.: El Secretario



Vº Bº: El Presidente



4.7.- Cash and cash equivalents.

Cash and cash equivalents includes cash on hand and demand deposits at banks.

4.8.- Income tax.

Foundation Rafa Nadal, as a not-for-profit foundation, is exempt from income tax on the activities composing its founding object (Title II of Law 49/2002, of 23 December). Under this regime, income from donations, grants and financial returns on assets are exempt from income tax. However, the following types of income are not tax-exempt: returns on capital; such income as might be obtained from economic operations not classified as exempt by the tax authorities; income from the assignment of the right to use the Foundation's assets; and increases in net assets arising from assets not used in the Foundation's founding or specific purpose. Such income is subject to tax at a rate of 10%.

Similarly, since the Foundation carries on business activities that are not included in its founding object, it is subject to the deductible proportion rule for VAT purposes. The non-deductible proportion of the tax increases expenses and the acquisition cost of the non-current assets subject to income tax.

4.9.- Revenue and expense recognition.

Expenses are recognized on an accrual basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises. In particular, expenses arising from monetary and non-monetary aid are generally recognized when the grant of such aid to the related beneficiary entity is approved.

Also, payments relating to the organization of future events (exhibitions, congresses, conferences, etc.) are recognized in the Foundation's abridged income statement as an expense for the period in which they are made, unless they are associated with the acquisition of non-current assets, rights to organize the related event or any other item that qualifies for recognition as an asset.

Revenue from sales is recognized when the significant risks and rewards of ownership of the goods sold have been transferred to the buyer, and the Foundation retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

Revenue from the rendering of services is recognized by reference to the stage of completion of the transaction at the end of the reporting period, provided the outcome of the transaction can be estimated reliably.

Fdo.: El Secretario



Vº Bº: El Presidente



4.10.- Provisions and contingencies.

When preparing the abridged financial statements, the Board of Trustees made a distinction between:

Provisions: credit balances covering present obligations arising from past events with respect to which it is probable that an outflow of resources embodying economic benefits that is uncertain as to its amount and/or timing will be required to settle the obligations; and

Contingent liabilities: possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more future events not wholly within the Foundation's control.

The abridged financial statements include all the provisions with respect to which it is considered that it is more likely than not that the obligation will have to be settled. Contingent liabilities are not recognized in the abridged financial statements, but rather are disclosed, unless the possibility of an outflow in settlement is considered to be remote.

Provisions are measured at the present value of the best possible estimate of the amount required to settle or transfer the obligation, taking into account the information available on the event and its consequences. Where discounting is used, adjustments made to provisions are recognized as interest cost on an accrual basis.

The compensation to be received from a third party on settlement of the obligation is recognized as an asset, provided that there are no doubts that the reimbursement will take place, unless there is a legal relationship whereby a portion of the risk has been externalized as a result of which the Foundation is not liable; in this situation, the compensation will be taken into account for the purpose of estimating the amount of the related provision that should be recognized.

4.11.- Termination benefits.

Under current legislation, the Foundation is required to pay termination benefits to employees terminated under certain conditions. Therefore, termination benefits that can be reasonably quantified are recognized as an expense in the year in which the decision to terminate the employment relationship is taken and a valid expectation is created on the part of the employee or employees involved. The accompanying abridged financial statements do not include any provision in this connection, since no situations of this nature are expected to arise.

4.12.- Environmental assets and liabilities.

Environmental assets are deemed to be assets used on a lasting basis in the Foundation's operations whose main purpose is to minimize environmental impact and protect and improve the environment, including the reduction or elimination of future pollution.

Because of their nature, the Foundation's business activities do not have a significant environmental impact.

Fdo.: El Secretario



Vº Bº: El Presidente



4.13.- Grants, donations and legacies received.

The Foundation accounts for grants, donations and legacies received as follows:

Non-refundable grants, donations and legacies related to assets: these are measured at the fair value of the amount or the asset received, based on whether or not they are monetary grants, and they are taken to income in proportion to the period depreciation taken on the assets for which the grants were received or, where appropriate, on disposal of the asset or on the recognition of an impairment loss. Non-refundable grants, donations and legacies not assigned to a specific object are recognized directly in profit or loss in the year in which they are received.

The Foundation has recorded in the accompanying abridged balance sheet grants and donations related to assets relating mainly to donations from private entities (see Note 15).

These grants and donations are transferred to the abridged income statement as the non-current assets financed are depreciated and in proportion to the expense incurred.

4.14.- Current/non-current classification.

Current assets are assets associated with the normal operating cycle, which in general is considered to be one year; other assets which are expected to mature, be disposed of or be realized within twelve months from the end of the reporting period; financial assets held for trading, except for financial derivatives that will be settled in a period exceeding one year; and cash and cash equivalents. Assets that do not meet these requirements are classified as non-current assets.

Similarly, current liabilities are liabilities associated with the normal operating cycle, financial liabilities held for trading, except for financial derivatives that will be settled in a period exceeding one year; and, in general, all obligations that will mature or be extinguished at short term. All other liabilities are classified as non-current liabilities.



NOTE 5. PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND INVESTMENT PROPERTY

5.1.- Intangible assets.

Details of and changes in intangible fixed assets throughout the financial year 2017 are as follows, in Euros:

	31/12/2016	Additions	31/12/2017
Cost:			
Administrative concessions	315.363,03	-	315.363,03
Industrial property	1.054,68	1.387,00	2.441,68
Computer applications	789,74	-	789,74
	317.207,45	1.387,00	318.594,45
Accumulated amortization:			
Administrative concessions	(16.967,46)	(6.307,26)	(23.274,72)
Industrial property	-	-	-
Computer applications	(789,74)	-	(789,74)
	(17.757,20)	(6.307,26)	(24.064,46)
Intangible Fixed Assets, Net	299.450,25	(4.920,26)	294.529,99


Details of and changes in intangible fixed assets throughout the financial year 2016 were as follows, in Euros:

	31/12/2015	Additions	31/12/2016
Cost:			
Administrative concessions	315.363,03	-	315.363,03
Industrial property	535,68	519,00	1.054,68
Computer applications	789,74	-	789,74
	317.207,45	519,00	317.207,45
Accumulated amortization:			
Administrative concessions	(10.512,10)	(6.455,36)	(16.967,46)
Industrial property	-	-	-
Computer applications	(740,40)	(49,34)	(789,74)
	(11.252,50)	(6.504,70)	(17.757,20)
Intangible Fixed Assets, Net	305.954,95	(5.985,70)	299.450,25

Fdo.: El Secretario



Vº Bº: El Presidente



Other disclosures.

As of December 31, 2017, the Foundation has fully amortized Computer Applications.

5.2.- Property, plant and equipment.

Details of and changes in intangible fixed assets throughout the financial year 2017 are as follows, in Euros:

	31/12/2016	Additions	Transfers	31/12/2017
Cost:				
Buildings	1.036.006,67	-	-	1.036.006,67
Plant	766,76	-	-	766,76
Other fixtures	75.765,89	11.375,21	-	87.141,10
Furniture	45.481,52	1.240,00	-	46.721,52
Computer hardware	7.596,34	1.126,00	-	8.722,34
Transport equipment	14.819,52	-	-	14.819,52
	1.180.436,70	13.741,21	-	1.194.177,91
Accumulated amortization:				
Buildings	(33.670,22)	(31.080,19)	-	(64.750,41)
Plant	(321,09)	(68,69)	-	(389,78)
Other fixtures	(40.703,53)	(12.579,44)	-	(53.282,97)
Furniture	(10.910,81)	(4.592,18)	-	(15.502,99)
Computer hardware	(5.740,63)	(1.085,79)	-	(6.826,42)
Transport equipment	(14.819,52)	-	-	(14.819,52)
	(106.165,80)	(49.406,29)	-	(155.572,09)
Intangible Fixed Assets, Net	1.074.270,90	(35.665,08)	-	1.038.605,82

Details of and changes in intangible fixed assets throughout the financial year 2016 were as follows, in Euros:

	31/12/2015	Additions	Transfers	31/12/2016
Cost:				
Buildings	-	-	1.036.006,67	1.036.006,67
Plant	766,76	-	-	766,76
Other fixtures	75.211,39	554,50	-	75.765,89
Furniture	38.722,02	6.759,50	-	45.481,52
Computer hardware	6.315,34	1.281,00	-	7.596,34
Transport equipment	14.819,52	-	-	14.819,52
Construction in progress	1.036.006,67	-	(1.036.006,67)	-
	1.171.841,70	8.595,00	-	1.180.436,70
Accumulated amortization:				
Buildings	-	(31.080,20)	(2.590,02)	(33.670,22)
Plant	(252,40)	(68,69)	-	(321,09)
Other fixtures	(27.083,81)	(13.619,72)	-	(40.703,53)
Furniture	(6.535,23)	(4.375,58)	-	(10.910,81)
Computer hardware	(4.870,42)	(870,21)	-	(5.740,63)
Transport equipment	(14.819,52)	-	-	(14.819,52)
Construction in progress	(2.590,02)	-	2.590,02	-
	(56.151,40)	(50.014,40)	-	(106.165,80)
Intangible Fixed Assets, Net	1.115.690,30	(41.419,40)	-	1.074.270,90

Fdo.: El Secretario



Vº Bº: El Presidente



Other disclosures.

The transfer of the exercise, is the Construction of the Building of Palma de Mallorca, which was completed its construction on January 1, 2016.

As of December 31, 2017, the Foundation has fully amortized the transportation elements.

The Foundation's policy is to formalize insurance policies to cover the possible risks to which the various elements of its property, plant and equipment are subject. At the end of 2017 and 2016, there was no coverage deficit related to these risks.

NOTE 6. OPERATING LEASES

At the end of 2017 and 2016 the Foundation had contracted with lessors for the following minimum lease payments, based on the leases currently in force, without taking into account the charging of common expenses, future increases in the CPI or future contractual lease payment revisions:

Lease payments	31/12/2017	31/12/2016
Within one year	62.964,00	68.379,03
Between one and five years	206.256,00	8.277,50
Total	269.220,00	76.656,53

Since 9 January 2012 the Foundation has been leasing a new space used for its central offices. Also, the Foundation has leased a flat for one of its employees.

The detail of the contingent rent recognized as an expense in 2017 and 2016 is as follows:

Description	31/12/2017	Euros 31/12/2016
Contingent rent recognized in the year	85.871,17	68.379,03

NOTE 7. FINANCIAL ASSETS.

a.- Non-current.

The breakdown of this heading at 31 December 2017 and 2016 is as follows, in euros:

Non-current financial instruments		
CLASSES CATEGORIES	Loans, derivatives and other 2017	2016
Loans and receivables	21.183,65	1.011.183,65

Fdo.: El Secretario



Vº Bº: El Presidente



The movement for the year is as follows, in euros:

NON-CURRENT FINANCIAL ASSETS	A) Beginning Balance	(+)Additions	(-)Disposals	B) Ending Balance
Loans and receivables	1.011.183,65	-	(990.000,00)	21.183,65

The long-term financial asset balance relates to guarantees provided.

b.- Current.

The breakdown of this heading at 31 December 2017 and 2016 is as follows, in euros:

Current financial instruments		
CLASES CATEGORÍES	Loans, derivatives and other	
	2017	2016
Loans and receivables	182.403,30	155.173,43
Current financial assets	1.000.000,00	-
Total	1.182.403,30	155.173,43

The movement for the year is as follows, in euros:

CURRENT FINANCIAL ASSETS	A) Beginning Balance	(+)Additions	(-)Disposals	B) Ending Balance
Loans and receivables	155.173,43	27.229,87	-	182.403,30
Current financial assets	-	1.000.000,00	-	1.000.000,00

The main items included in the category of loans and receivables correspond to users and debtors of the activity.

The current financial assets correspond to three deposits in Banco Sabadell with maturity in the first semester of 2018, accruing interest between 0.35% and 0.40%.

NOTE 8. CASH AND CASH EQUIVALENTS.

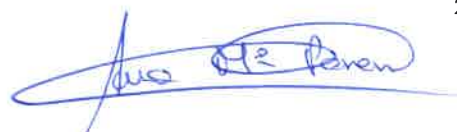
The following is the breakdown of these assets, in euros:

	31/12/2017 Credits y Others	31/12/2016 Credits y Others
Bank current accounts	2.642.141,98	1.852.808,20
Cash	-	-
Total Cash and Cash Equivalents	2.642.141,98	1.852.808,20

Fdo.: El Secretario



Vº Bº: El Presidente



NOTE 9. FINANCIAL LIABILITIES.

1. Long-Term Financial Liabilities

The composition long term at 31 December 2017 and 2016 is following, in euros:

	Balance at 31/12/2017	Balance at 31/12/2016
Loans	457.035,07	555.167,16

The long-term financial liabilities correspond to a loan granted by Bank Sabadell of May 19, 2015 worth 800.000 euros with final maturity 31/05/2023 and an interest rate of 1,95%.

2. Short – Term Financial Liabilities

The composition of this at 31 December 2017 is following, in euros:

Current financial instruments						
CLASES	Bank borrowings		Debt instruments and other marketable securities		Derivatives and other	
CATEGORÍAS	2017	2016	2017	2016	2017	2016
Accounts payable	98.132,09	96.238,59	-	-	244.088,08	122.838,38
Total	98.132,09	96.238,59	-	-	244.088,08	122.838,38

The items included in the debits and payables category correspond mainly to suppliers and other creditors payable and the instalments of the loan granted by the Bank of Sabadell.

All the payables mature in 2018.

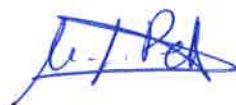
There are no payables secured by security interests.

NOTE 10. DUE FROM USERS AND OTHER RECEIVABLES FROM OWN ACTIVITIES

The movement in this heading in 2017 is as follows, in euros:

Due from users and other receivables from own activities		Beginning balance	Increase	Decrease	Ending balance
Sponsors	Group companies and associates	-	-	-	-
	Other	148.497,37	-	(5.191,37)	143.306,00
TOTAL		148.497,37	-	(5.191,37)	143.306,00

Fdo.: El Secretario



Vº Bº: El Presidente



The movement in this heading during the years 2016 was as follows, in euros:

Due from users and other receivables from own activities		Beginning balance	Increase	Decrease	Ending balance
Sponsors	Group companies and associates	63.120,00	85.377,37	-	148.497,37
	Other				
TOTAL		63.120,00	85.377,37	-	148.497,37

NOTE 11. PAYABLE TO BENEFICIARIES AND OTHER PAYABLES

The movement in this heading in 2017 is as follows, in euros:

Payable to beneficiaries and other payables		Beginning balance	Increase	Decrease	Ending balance
Other payables	Group companies and associates	122.838,38	121.249,7	-	244.088,08
	Other				
TOTAL		122.838,38	121.249,7	-	244.088,08

The movement in this heading during the years 2016 was as follows, in euros:

Payable to beneficiaries and other payables		Beginning balance	Increase	Decrease	Ending balance
Other payables	Group companies and associates	274.606,89	-	(151.768,51)	122.838,38
	Other				
TOTAL		274.606,89	-	(151.768,51)	122.838,38

NOTE 12. OWN FUNDS

The movement during the years 2017 and 2016 of the equity caption of the attached summary balance sheet is as follows:

CHANGES IN BALANCE SHEET ITEMS				
OWN FUNDS	Beginning balance	Increase	Decrease	Ending balance
I. Endowment fund				
1. Endowment fund	30.000,00	-	-	30.000,00
V. Prior years' surplus	2.524.148,87	745.651,06	-	3.270.096,79
VI. Deficit for the year	745.651,06	843.067,55	(745.651,06)	843.067,55
TOTAL	3.299.799,93	1.588.718,61	(745.651,06)	4.143.164,34

Causes for surpluses.

Positive surplus for 2017.

Fdo.: El Secretario



Vº Bº: El Presidente



Endowment fund.

In view of its social objects and its charitable and social welfare nature, the Foundation does not have any share capital or, therefore, shares or any other kind of equity securities.

The Foundation's endowment fund amounts to EUR 30,000.00 and relates to the monetary contribution made to it when it was set up.

NOTE 13. TAX MATTERS

The Foundation is included among the entities regulated by Title II of Law 49/2002, of 23 December, on the tax regime of not-for-profit entities and tax incentives for patronage. The Foundation notified the tax authorities that it was electing the option provided for in Royal Decree 1270/2003, of 10 October, to apply the special tax regime regulated in Title II of Law 49/2002 as it met all the requirements established in Article 3 of that Law.

Under Law 49/2002 on the tax regime of not-for-profit entities and tax incentives for patronage, entities considered to be not-for-profit for the purposes of this Law are exempt from income tax on their own activities. This exemption encompasses all the income obtained by the entities that will be used for not-for-profit-related activities, as listed in Articles 6 and 7 of Chapter II of that Law. The Foundation is exempt from income tax on its surplus and on capital increases arising from the performance of activities constituting its founding object or specific purposes, and the tax rate applicable to income subject to but not exempt from income tax obtained by entities included in Chapter II of the Law is 10%. In this regard, the activity income subject to tax (revenue from Internet sales) is considered to be ancillary or complementary, since it does not exceed 20% of the Foundation's total income and, therefore, it is exempt from income tax.

Reconciliation of the accounting deficit to the tax base.

Concept	2017		Euros		2016
	Increases	Total	Increases	Total	
Accounting deficit before income tax	843.067,55	843.067,55	745.651,06		745.651,06
Tax revenue	118.891,54	118.891,54	825,02		825,02
Exempt income under Law 49/2002	(843.067,55)	(843.067,55)	(745.651,06)		(745.651,06)
Tax base	118.891,54	118.891,54	825,02		825,02

At 31 December 2017, the Foundation, which is subject to Law 49/2002, did not have any taxes recognized directly in equity, tax loss carry forwards, unused tax credits, recognized deferred tax assets and liabilities or unrecognized deferred tax assets.



Years open for review and tax audits

Under current legislation, taxes cannot be deemed to have been definitively settled until the tax returns filed have been reviewed by the tax authorities or until the four-year statute-of-limitations period has expired. The Foundation has all the years' not yet statute-barred open for review for all the taxes applicable to it. The Foundation's trustees consider that the tax returns for the aforementioned taxes have been filed correctly and, therefore, even in the event of discrepancies in the interpretation of current tax legislation in relation to the tax treatment afforded to certain transactions, such liabilities as might arise would not have a material effect on the accompanying abridged financial statements.

NOTE 14. INCOME AND EXPENSES

Monetary aid.

The movement in this heading in 2017 is as follows, in euros:

a) Monetary aid	Activity 1	Activity 2	Activity 3	Activity 7	No specific activity	Total
Monetary aid to entities	262.182,27	102.891,03	211.491,01	56.197,80	616,69	636.378,80
TOTAL	262.182,27	102.891,03	211.491,01	56.197,80	616,69	636.378,80

The movement in this heading during the years 2016 was as follows, in euros:

a) Monetary aid	Activity 1	Activity 2	Activity 3	No specific activity	Total
Monetary aid to entities	201.670,83	48.929,82	313.828,52	500,00	564.929,17
TOTAL	201.670,83	48.929,82	313.828,52	500,00	564.929,17



The detail of these expenses in 2017 and 2016 is as follows:

	Euros	
	2017	2016
<i>Charitable expenses:</i>		
Rafa Nadal Foundation Center	262.182,27	201.670,83
Collaboration Project Integration and Sport	70.000,00	150.000,00
Collaboration Anantapur Educational Center	84.491,01	73.828,52
Project Collaboration More Than Tennis	60.000,00	90.000,00
Study & Play Scholarships	102.891,03	48.929,82
Donations to various entities	616,69	500,00
Project Nest	56.197,80	-
Total monetary aid	636.378,80	564.929,17

Under "Expenses aids and other" in the abridged results attached is basically include the following collaboration agreements:

- Rafa Nadal Foundation Center: a structure that is located in one of the most disadvantaged areas of Palma de Mallorca at the confluence between the neighborhoods of La Soledad and Nou Llevant. Since then the entity has developed a comprehensive program at the center aimed at children and young people between 6 and 17 years of age in a situation of poverty or risk of social exclusion and who present difficulties for their integration into society.
- Integration and sport project: collaboration agreement with Aldeas Infantiles SOS to promote the personal and social development of children and young people at risk of social exclusion, taking sport and sporting values to wherever children in situations of isolation and social exclusion might be.
- Integral education project: this project relates to a cooperation agreement with the Vicente Ferrer Foundation, through a school of integral education and a tennis training and playing center, promoting tennis playing, teaching computer skills and English and providing educational support and food and healthcare. The beneficiaries are between 7 and 16 years old.
- More than tennis project: this project, in collaboration with Special Olympics Spain, promotes tennis among young people with intellectual disabilities in Spain with a view to integrating them into society on an equal-opportunity basis through sport.
- Project Study & Play: This Project funded scholarships for Spanish students without resources to study at universities in U.S.A.




- Project Nest: scholarship program for boys and girls tennis players between 14 and 20 years old from different countries of the world who have shown potential as professional tennis players in recent years to offer them an important opportunity to do so following the methodology based in the values of sport and combined with the importance of the studies that are implemented in the Rafa Nadal Academy by Movistar.

Procurements.

The detail of "Procurements" in the abridged income statements for 2017 and 2016 is as follows, in Euros:

	2017	2016
Purchases	9.425,72	5.527,32
Work performed by other companies	199.892,18	196.745,87
TOTAL	209.317,90	202.273,19

Changes in inventories of finished goods and work in progress.

This heading in the Profit and Loss Account is composed as follows, in Euros:

Account	2017	2016
Changes in inventories of goods used in activities	3.522,83	7.610,38
TOTAL	3.522,83	7.610,38

Staff costs.

The detail of "Staff Costs" in the accompanying abridged income statements for 2017 and 2016 is as follows, in Euros:

Account	2017	2016
Wages, salaries and similar expenses	364.200,55	146.254,73
Employer social security costs	42.703,59	34.232,58
Other employee benefit costs	1.537,50	1.618,10
TOTAL	408.441,64	182.105,41




Other expenses from activities.

The detail of "Outside Services" in the accompanying abridged income statements for 2017 and 2016 is as follows, in Euros:

Account	2017	2016
621 Rent and royalties	85.871,17	68.379,03
622 Repair and upkeep expenses	1.823,48	2.951,20
623 Independent professional services	102.655,48	70.614,51
625 Insurance premiums	4.593,07	4.442,13
626 Banking and similar services	376,67	143,93
628 Utilities	4.073,21	5.199,85
629 Other services	62.608,76	57.859,66
631 Other tributes	25.528,80	13.669,04
TOTAL	287.530,64	223.259,35

Income and expense arising from operations outside the normal activities of the Foundation.

a.- Income from own activities.

The detail of the revenues of the Foundation for its own activities corresponding to the 2017 financial years is as follows, in Euros:

Activity	a) Dues from associates and affiliates	b) Contributions from users	c) Income from promotions, sponsors and cooperation	d) Grants, donations and legacies relating to own activities	Source
Activity 1	-	-	-	779.024,61	Private
Activity 2	-	-	150.000,00	-	Private
Activity 3	-	-	184.290,62	249.817,46	Private
Activity 4	60.531,29	-	320.090,00	-	Private
Activity 7	-	-	120.000,00	201.553,48	Private
TOTAL	60.531,29	-	774.380,62	1.230.395,55	



The detail of the Foundation's income from its own activities for the years 2016 was as follows, in Euros:

Activity	a) Dues from associates and affiliates	b) Contributions from users	c) Income from promotions, sponsors and cooperation	d) Grants, donations and legacies relating to own activities	Source
Activity 1	-	-	-	500.000,00	Private
Activity 2	-	-	-	50.000,00	Private
Activity 3	-	-	507.800,30	555.561,57	Private
Activity 4	38.011,13	-	306.736,26	-	Private
TOTAL	38.011,13	-	814.536,56	1.105.561,57	

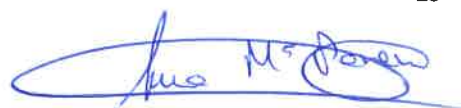
b.- Income from the commercial activity

Income from commercial activity comes from the private sector. They correspond to the annual liquidation made by the company E-Solutions for the sale of products on line.

The amount of 2017 is 6.695,64 € and that of 2016 13,772.71 €. Sales of Sport Experience in 2017 are 21.341,79 € and those of 2016 9.620,86 €

c.- Other income from activities.

The balance of EUR 10,584.00 for 2017 and 2016 relates to income from services.

NOTE 15. GRANTS, DONATIONS AND LEGACIES RECEIVED

The information on the grants received by the Foundation, which form part of equity, and on the surpluses taken to the abridged income statement in this connection is as follows:

Its detail at 31 December 2017 is shown below in euros:

Account	Grantor (specify private or public and, in the latter case, the granting body and level of government)	Purpose and/or item acquired with the grant or donation	Year granted	Period over which recognized in profit or loss	Amount granted	Amount recognized in profit or loss in prior years	Amount recognized in profit or loss in 2013	Total amount recognized in profit or loss
725	Palma de Mallorca's Town Council	Terrain in Pal-Ma de Mallorca	2014	50 years	315.363,03	16.819,36	6.307,26	16.819,36
TOTALES					315.363,03	10.512,10	6.307,26	16.819,36
CHANGES IN BALANCE SHEET ITEMS								
Grants, donations and legacies received				Beginning balance	Increase	Decrease	Ending balance	
132. Other grants, donations and legacies received				298.543,67	-	6.307,26	292.236,41	
TOTALES				298.543,67	-	6.307,26	292.236,41	

Fdo.: El Secretario

Vº Bº: El Presidente

Its detail at 31 December 2016 is shown below in euros:

Account	Grantor (specify private or public and, in the latter case, granting body and level of government)	Purpose and/or item acquired with the grant or donation	Year granted	Period over which recognized in profit or loss	Amount granted	Amount recognized in profit or loss in prior years	Amount recognized in profit or loss in 2013	Total amount recognized in profit or loss
725	Palma de Mallorca's Town Council	Terrain in Pal-Ma de Mallorca	2014	50 years	315.363,03	10.512,10	6.307,26	16.819,36
TOTALES					315.363,03	10.512,10	6.307,26	16.819,36
CHANGES IN BALANCE SHEET ITEMS								
Grants, donations and legacies received				Beginning balance	Increase	Decrease	Ending balance	
132. Other grants, donations and legacies received				304.850,93	-	6.307,26	298.543,67	
TOTALES				304.850,93	-	6.307,26	298.543,67	

Other disclosures:

In 2017 and 2016 corresponds to the Administrative Concession of a land granted by the Town Council of Palma de Mallorca and valued by an independent expert in 315.363,03 euros.

At 31 December 2017 and 2016, the Foundation had met all the requirements for being able to class the aforementioned grant and donation as non-refundable.

Fdo.: El Secretario



Vº Bº: El Presidente



16. ACTIVITIES OF THE FOUNDATION. USE OF EQUITY, ASSETS AND INCOME FOR THE FOUNDATION'S OWN PURPOSES. ADMINISTRATIVE EXPENDITURE.

16.1.- Activities of the Foundation.

ACTIVITY 1

Identification.

Denomination of activity	Center Social reintegration
Type of activity	Own
Identification of the activity by industry	Children and young people
Location of the activity	Spain

Detailed description of the activity performed.

Construction of a Social Reintegration Center in Palma de Mallorca on a plot of land provided by the City Council.

Human resources employed in the activity.

Type	Number		No. hours/Year	
	Planned	Performed	Planned	Performed
Salaried employees	3	3	942	942

Activity beneficiaries or users.

Type	Number	
	Planned	Performed
Natural person	170	170
Legal entities	1	1

ACTIVITY 2

Identification.

Denomination of activity	Center Social reintegration
Type of activity	Own
Identification of the activity by industry	Children and young people
Location of the activity	Spain

Detailed description of the activity performed.

Program that offers young people who practice a sport with regularity and full dedication, the possibility of accessing the scholarships granted by North American universities to continue competing and studying in a university career at the same time. We promote the importance of quality education both in the educational and sports fields. It is intended for young athletes who need it most.

Human resources employed in the activity.

Type	Number		No. hours/Year	
	Planned	Performed	Planned	Performed
Salaried employees	3	3	942	942

Activity beneficiaries or users.

Type	Number	
	Planned	Performed
Natural person	40	40

ACTIVITY 3

Identification.

Denomination of activity	Center Social reintegration
Type of activity *	Own
Identification of activity by sector	Children and young people
Place of development of the activity	Spain and India

Fdo.: El Secretario



Vº Bº: El Presidente



Detailed description of the activity performed.

a.- Integration and sport project: collaboration agreement with SOS Children's Villages in order to promote the personal and social development of children and young people at risk of exclusion, bringing sport and its values closer where children are in situations of isolation or risk of social exclusion.

b.- Comprehensive education project: corresponds to a collaboration agreement with the Vicente Ferrer Foundation, through the maintenance of a school of integral education and a center of training and practice of tennis, fomenting the sport of tennis, the training in computer science and English, school support and nutritional and health coverage. The beneficiaries of the program are between 7 and 16 years old.

c.- Project more than tennis: this project, in collaboration with Special Olympics Spain, promotes the practice of tennis to young people with intellectual disability in Spain with the purpose of integrating the beneficiaries in the society in conditions of equality, through the practice of a sport.

Human resources employed in the activity.

Type	Number		No. hours/Year	
	Planned	Performed	Planned	Performed
Salaried employees	3	3	942	942

Activity beneficiaries or users.

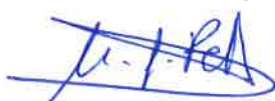
Type	Number	
	Planned	Performed
Natural person	530	530
Legal entities	3	3

ACTIVITY 4

Identification.

Denomination of activity	Center Social reintegration
Type of activity	Own
Identification of the activity by industry	Children and young people
Location of the activity	Spain

Fdo.: El Secretario



Vº Bº: El Presidente



Detailed description of the activity performed.

Tour for boys of sub 12 and sub 14 categories, regularly registered and licensed by the Royal Spanish Tennis Federation. This circuit differs from others in the sector by combining sports competition with an educational side and promoting the values of sport through the realization, in each of the tournaments, of activities both playful and educational, under the name of "Training in values".

Human resources employed in the activity.

Type	Number		No. hours/Year	
	Planned	Performed	Planned	Performed
Salaried employees	2	2	628	628
Service contract employees	2	2	942	942

Activity beneficiaries or users.

Type	Number	
	Planned	Performed
Natural person	1.500	1.500

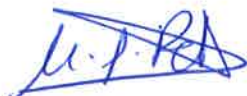
ACTIVITY 5

Identification.

Name of the activity	On-line sales
Type of activity	Own
Identification of activity by sector	General
Location of the activity	Spain

Detailed description of the activity performed.

The sale of products made through a contract with the firm E-Solutions. This company makes an annual liquidation in favour of the Foundation.



ACTIVITY 7

Identification.

Denomination of activity	Center Social reintegration
Type of activity	Own
Identification of the activity by industry	Children and young people
Location of the activity	Spain

Detailed description of the activity performed.

Scholarship program for boys and girls tennis players between 14 and 20 years old from different countries of the world who have shown potential as professional tennis players in recent years to offer them an important opportunity to do so following the methodology based in the values of sport and combined with the importance of the studies that are implemented in the Rafa Nadal Academy by Movistar.

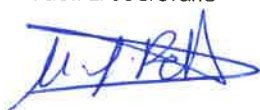
Human resources employed in the activity.

Type	Number		No. hours/Year	
	Planned	Performed	Planned	Performed
Salaried employees	3	3	942	942

Activity beneficiaries or users.

Type	Number	
	Planned	Performed
Natural person	5	3

Fdo.: El Secretario



Vº Bº: El Presidente



16.2.- Total economic resources employed by the Foundation.

Expenses / Investments	Amount	Amount
Aid and other expenses		
a) Monetary aid	710.000,00	636.378,80
Change in inventories of finished products and in process of manufacture	-	(3.522,83)
Procurement	6.000,00	9.425,72
Staff costs	245.000,00	408.441,64
Other expenses of the activity	220.000,00	287.530,64
Depreciation and amortization charge	23.000,00	55.713,55
Finance costs	-	11.845,29
Income tax	-	11.889,15
Subtotal - Expenses	1.204.000,00	1.417.701,96
Acquisitions of non-current assets (excluding historical heritage assets)	-	15.128,21
Subtotal - Funds	-	15.128,21
TOTAL	1.204.000,00	1.432.830,17

Fdo.: El Secretario



Vº Bº: El Presidente



16.3.- Total economic resources obtained by the Foundation.

Income obtained by the Foundation.

INCOME	Planned	Performed
Revenue from trading activities	23.000,00	28.037,43
Private contributions	1.230.000,00	2.065.307,46
Other income	-	360.941,00
TOTAL INCOME OBTAINED	1.253.000,00	2.454.285,89

Other economic resources obtained by the Foundation.

The Foundation had granted a loan by Banc Sabadell for 800.000 euros for finance the construction of social center in Palma de Mallorca with final maturity 31/05/2023 and an interest rate of 1,95%.

Cooperation agreements with other entities.

Description	Expenses
Agreement 1. With Aldeas Infantiles SOS	70.000,00
Agreement 2. With Fundación Vicente Ferrer	84.491,01
Agreement 3. With Special Olympics Spain	60.000,00

Differences between the action plan and activities performed.

Per its bylaws, the Foundation's founding object is to perform the activities indicated in Note 1.

The Foundation's financing takes the form basically of income from promotions, sponsors and collaboration agreements and grants received in relation to its own activities. In years in which income exceeds expenses, the difference is allocated to prior years' surpluses in order to cover years in which expenses exceed income.

The Foundation draws up a simple budget at the beginning of each year breaking down the basic items included in the action plan.

16.4.- Application of assets for own purposes.

Assets and rights that are part of the endowment and property and rights attached permanently to the foundational purposes.

All the income obtained by the Foundation are used in the Foundation's own activities.

Fdo.: El Secretario



Vº Bº: El Presidente



The table of results and surpluses not specifically allocated at 31 December 2016, which shows the Foundation's total income and the impact of the expenditures on assets and economic activity, is as follows, in Euros:

	Total income of the Foundation	Expenditures on assets and economic activity	Non-current asset additions	Depreciation and amortization	Expenditures on assets and economic activity (gain / loss)
2008	123.800,68	9.430,78	-	-	114.369,90
2009	138.488,28	72.345,44	-	-	66.142,84
2010	1.716.670,95	1.066.034,60	11.014,00	3.672,00	643.294,35
2011	1.330.245,20	300.900,57	-	3.672,00	1.033.016,63
2012	574.736,95	450.287,24	49.718,46	10.689,33	85.420,58
2013	574.121,64	293.566,09	5.908,02	12.593,60	211.023,34
2014	1.259.773,22	677.183,92	47.376,21	14.250,53	549.463,62
2015	2.308.789,52	797.544,91	1.055.740,44	22.526,44	478.030,61
2016	1.981.674,19	1.179.504,03	9.114,00	56.519,10	736.537,06
2017	2.454.285,89	1.561.880,59	15.128,21	55.713,55	829.605,71

The Foundation is subject to the tax regime provided for in Law 49/2002. Under that Law, the income from the Foundation's activities is exempt from income tax and its financial and exceptional profits or losses are subject to income tax at 10%. The surplus must be used for the founding objects in the four years following the beginning of the year in which it was generated. If this requirement is not met, the exemption from tax of the surpluses from the Foundation's activities does not apply. In order to determine the degree to which the objects are met, "Total Income of the Foundation" includes all the Foundation's income with no offsetting, while "Expenditures on Assets and Economic Activity" must include the additions to non-current assets assigned to the founding objects and must exclude the related depreciation and amortization.

The Foundation was complying with the requirements relating to the reinvestment of surpluses for founding objects at 31 December 2017. The detail of results and surpluses not specifically allocated, as well as the related deadlines for allocating them, at 31 December 2017, is as follows:

Year	Total income from the Foundation's activities (1)	Common and specific expenses of the activities carried out in order to achieve the founding objects taken as a whole (2)	Investments made in own activities in 2014 (3)	% Amount used ((2)+(3))/(1)	Minimum amount to be used 70% of total income (4)	(Not yet used) surplus earmarked ((2)+(3)-(4))
2008	123.800,68	9.430,78	-	7,62%	86.660,48	(77.229,70)
2009	132.488,28	109.387,44	-	82,56%	92.741,80	16.645,64
2010	1.716.670,95	1.062.362,00	11.014,00	62,53%	1.201.669,67	(128.293,67)
2011	1.330.245,20	545.424,12	-	41,00%	931.171,64	(385.747,52)
2012	574.736,95	805.000,22	49.718,46	148,71%	402.315,87	452.402,81
2013	574.121,64	607.000,49	5.908,02	106,75%	401.885,17	211.023,34
2014	1.259.773,22	1.043.437,37	47.376,21	86,59%	881.841,25	208.972,33
2015	2.308.789,54	1.222.225,92	1.055.740,44	98,66%	1.616.152,66	661.813,70
2016	1.981.674,19	1.179.504,03	9.114,00	59,98%	1.387.171,93	(198.553,90)
2017	2.454.285,89	1.561.880,59	15.128,21	64,26%	1.718.000,12	(140.991,32)
2017	2.454.285,89	1.561.880,59	15.128,21	64,26%	1.718.000,12	(140.991,32)
TOTAL						620.041,71

Fdo.: El Secretario



Vº Bº: El Presidente



The detail of the expenses included under “Common and Specific Expenses of the Activities Carried out in Order to Achieve the Founding Objects Taken as a Whole” in 2016 and 2015 is as follows:

Income statement line item	Type of expense	2017	2016
600	Purchases	9.425,72	5.527,32
607	Work performed by other companies	199.892,18	196.745,87
621	Rent	85.871,17	68.379,03
622	Repair and upkeep expenses	1.823,48	2.951,20
623	Professional services	102.655,48	70.614,51
625	Insurance	4.593,07	4.442,13
626	Bank Services	376,67	143,93
628	Utilities	4.073,21	5.199,85
629	Other expenses	62.608,76	57.859,66
631	Other tributes	25.528,80	13.669,04
640	Salaries	364.200,55	146.254,73
642	Employer social security costs	42.703,59	34.232,58
649	Other employee benefit costs	1.537,50	1.618,10
650	Aid	636.378,80	564.929,17
610	Changes in inventories of finished goods and work in progress	(3.522,83)	(7.610,38)
662	High financials expenses	11.845,29	13.702,27
6300	Impuesto sobre beneficios	11.889,15	845,02
Total		1.561.880,59	1.179.504,03

Table of use of income and proceeds.

The model established by the Ministry.

16.5- Administrative expenditure

During 2017, there are no Administration fees.

Alternative limits on the administrative expenditure (Article 33 of Royal Decree Regulation 1337/2005)	
5% of own funds	207.241,54
Summary of administrative expenditure	
Expenses reimbursable to trustees	24.369,33
Expenses incurred directly in asset management	-
Not exceeding (-) the applicable maximum limit	

The detail of the administrative expenditure recognized in 2017 is as follows:

Detail of administrative expenditure					
Concept	Name of account	Income statement line item	Type of expense	Basis of allocation to asset management	Amount
Travel expenses	Travel expenses	62904	Travel expenses	-	24.369,33
TOTAL				-	24.369,33

Fdo.: El Secretario

Vº Bº: El Presidente




This administrative expenditure is incurred by the trustees as members of the Board of Trustees of the Foundation and, accordingly, are reimbursable to them provided that they are correctly supported and do not exceed the following limits:

- a. As a general rule, up to 10% of the net income that the Foundation has obtained in the year.
- b. If the Board of Trustees so requests expressly and provides grounds for its request, the Committee of Protectors may increase this percentage, for each year, to 20% of net income.
- c. In exceptional cases in which, pursuant to the aforementioned rules, the administrative expenditure cannot be satisfactorily covered, the Committee of Protectors may permit, for a given year, that the amount of such expenses be calculated on the basis of the net assets up to the maximum limit of 5% of the net assets.

Alternative limits (Article 33 Royal Decree Regulations 1337/2005)

20% of the basis of the calculation per Article 27 of Law 50/2004 and Article 32.1 of Royal Decree Regulations 1337/05 (2)

Financial Year	5% of own funds (1)	Net income	20% of total net income	Expenses incurred directly in asset management (3)	Expenses reimbursable to trustees (4)	Total qualifying administrative expenditure for the year (5) = (3)+(4)	Exceeds (+) Does not exceed (-) the maximum limit (the higher of 1 and 2) - (5)
2017	207.241,54	2.454.285,89	490.857,18	-	24.369,33	24.369,33	NOT EXCEED


NOTA 17. SENIOR EXECUTIVES AND TRUSTEES

In 2017 and 2016, the trustees did not receive any remuneration in any connection.

The Foundation has not granted any loans or advances to the members of the Board of Trustees and it does not have any supplementary pension, retirement bonus, special benefit or life insurance obligations to them.

The Foundation does not have any senior executives as this function is discharged by the members of the Foundation's Board of Trustees

Fdo.: El Secretario



Vº Bº: El Presidente



NOTE 18. OTHER DISCLOSURES

Changes in the governing, management and representation body.

In 2017 there is no change in the Board of Trustees.

2017

Members	Position
Rafael Nadal	Founder trustee and member
Sebastián Nadal	Trustee
Juan José Almagro	Trustee
Francisco de Bergia	Trustee
Ana María Parera	President
M ^a Francisca Perelló	Secretary

2016

Members	Position
Rafael Nadal	Founder trustee and member
Sebastián Nadal	Trustee
Juan José Almagro	Trustee
Francisco de Bergia	Trustee
Ana María Parera	President
M ^a Francisca Perelló	Secretary

Disclosures on authorizations granted by the Committee of Protectors or administrative authority.

No transactions were performed for which authorization was requested from the Committee of Protectors in 2017 or 2016.

Employees.

The average number of employees in 2017 and 2016, by category, was as follows:

Category	31/12/2017	31/12/2016
Managers	3	3
Cleaning staff	1	1
Total	4	4

Fdo.: El Secretario



Vº Bº: El Presidente



Also, the headcount at the end of 2017 and 2016, by category and gender, was as follows:

Category	2017		2016	
	Men	Women	Men	Women
Managers	-	3	-	3
Cleaning staff	-	1	-	1
Total	-	4	-	4

There are no people employed during the 2017 and 2016 exercises, with a disability greater than or equal to 33%.

Fees paid to auditors.

In 2017 the fees for the financial audit services provided by the auditor of the Foundation's abridged financial statements, BDO, S.L.P., were as follows:

Description	2017	2016
Audit services	6.335,00	6.150,00

The fees corresponding to other services amounted to 1,100.00 euros in the year 2017 and in the year 2016.

Off-balance-sheet agreements.

At 31 December 2017, the Foundation did not have any significant agreements not shown in the accompanying abridged balance sheet.

NOTE 19. INFORMATION ON THE DEFERMENT OF PAYMENTS MADE TO SUPPLIERS. THIRD ADDITIONAL PROVISION. "DUTY TO INFORM" OF LAW 15/2010, OF JULY 5

In accordance with the disposal end second law 31/2014, of 3 December, amending the companies act of Capital for the improvement of corporate governance, it modifies the third additional provision of Act 15/2010, July 5, modification of the law 3/2004, of 29 December, which establishes measures to combat late payments in commercial transactions , and with regard to the resolution of 29 January 2016, the Institute of accountancy and audit of accounts, the information to be incorporated in the memory of the annual accounts relating to that Act, the information is as follows for the year 2017:

	2017 Days	2016 Days
Average payment period to suppliers	22	30

Fdo.: El Secretario



Vº Bº: El Presidente



NOTE 20. EVENTS AFTER THE REPORTING PERIOD

On June 21, 2018, the foundation is scheduled to move its headquarters to Manacor (Mallorca), in order to centralize the activities carried out by the foundation, and obtain synergies of both economic and human resources.

Other than that, in the period from 31 December 2017 to the date on which these abridged financial statements were authorized for issue no significant events took place making it necessary to amend or extend the disclosures included herein.

NOTE 21. EXPLANATION ADDED FOR TRANSLATION TO ENGLISH

These abridged financial statements are presented on the basis of the regulatory financial reporting framework applicable to the Foundation (see Note 2). Certain accounting practices applied by the Foundation that conform with that regulatory framework may not conform with other generally accepted accounting principles and rules.

ANNEXES. ABRIDGED ANNUAL REPPORT

APPLICATION MODELS TO EXPRESS THE DESTINATION OF INCOME AND REVENUE (ART. 27 LAW 50/2002 and 32 R.D. 1337/2005)

I. CALCULATION OF THE APPLICATION BASE AND MINIMUM RESOURCES TO ALLOCATE OF THE FINANCIAL YEAR 01/01/2017-31/12/2017

RESOURCES	AMOUNT
Income for the period	843.067,55
1.1. Positive adjustments of the Accounting Result (breakdown in sheet 1.1)	
1.1. A) Amount allocated for amortization of property, plant and equipment subject to activities in purposes fulfilment	55.713,55
1.1. B) Common and specific expenses to all activities performed in purposes fulfilment	1.549.991,44
TOTAL OF NON-DEDUCTIBLE EXPENSES	1.605.704,99
1.2. Negative adjustments of the Accounting Result (breakdown in sheet 1.2)	
Non computable income	
APPLICATION BASE	2.448.772,54
RENT TO BE DESTINED	
Import	1.714.140,78
% Minimum Resources to allocate to purposes according to the Board agreement	70,00%

Fdo.: El Secretario



Vº Bº: El Presidente



APPLICATION MODELS TO EXPRESS THE DESTINATION OF INCOME AND REVENUE
(ART. 27 LAW 50/2002 and 32 R.D. 1337/2005)

1.1. POSITIVE ADJUSTMENTS OF THE ACCOUNTING RESULT

1.1. A) Amount allocated for amortization of property, plant and equipment subject to activities in purposes fulfilment (Art.32.4.a) (Regulation R.D.1337/2005)				
Account number	PL entry	Patrimonial element subject to the activity with purposes fulfilment	Amortization of the patrimonial element of the fiscal year	Total amortized amount of the patrimonial element
680	10	Intangible assets amortization	6.307,26	24.064,46
681	10	Property, plant and equipment amortization	49.406,29	155.572,09
TOTAL 1.1. A) Amortization			55.713,55	179.636,55

1.1. B) Common and specific expenses to all activities performed in purposes fulfilment (except amortizations and depreciation of the intangible assets, property, plant and equipment)				
Account number	PL entry	Expense description	Percentage of the allocation to the own activity in fulfilment the purposes	Amount
600	9	Compras	100	9.425,72
607	9	Work carried out by other companies	100	199.892,18
610	9	Changes in inventories of finished goods and work in progress	100	(3.522,83)
621/629	9	Rents and royalties	100	262.001,84
631	9	Taxes	100	25.528,80
640/649	8	Salaries	100	408.441,64
650	3	Other social expenses	100	636.378,80
662	15	Financial expenses	100	11.845,29
TOTAL 1.1. B) Gastos comunes y específicos				1.549.991,44

TOTAL 1.1. POSITIVE ADJUSTMENTS OF THE ACCOUNTING RESULT (Amount of the cell B10 "Non-deductible expenses" in the table I "Calculation base and minimum resources")	1.605.704,99
---	---------------------

Fdo.: El Secretario



Vº Bº: El Presidente



APPLICATION MODELS TO EXPRESS THE DESTINATION OF INCOME AND REVENUE
(ART. 27 LAW 50/2002 and 32 R.D. 1337/2005)

1.2. NEGATIVE ADJUSTMENTS OF THE ACCOUNTING RESULT

1.2 A) Income from the disposal or encumbrance of assets and rights provided in the form of endowment or affected by the Board on a permanent basis to the foundational purposes (art. 32.2 a) (R.D. 1337/2005)

Account number	PL entry	Transferred or encumbered element	Amount
SUBTOTAL			-

1.2. B) Income from the onerous transfer of immovable property where the activity is carried out in fulfilment of the purposes with the condition of reinvesting it in real estate with the same goal (art. 32.2 b) R.D. 1337/2005)

Account number	PL entry	Property transmitted	Amount
SUBTOTAL			-

1.2. C) Contributions or donations received for endowment (art. 32.3 R.D. 1337/2005)

Account number	PL entry	Contribution or donation received	Amount
SUBTOTAL			-

TOTAL 1.2. TOTAL OF NEGATIVE ADJUSTMENTS OF THE ACCOUNTING RESULT
 (Amount of the cell B12 "Ingresos no computables" in the table I "Calculation base and minimum resources")

Fdo.: El Secretario



Vº Bº: El Presidente



APPLICATION MODELS TO EXPRESS THE DESTINATION OF INCOME AND REVENUE
(ART. 27 LAW 50/2002 and 32 R.D. 1337/2005)

2. RESOURCES USED IN THE YEAR.

1. Expenditure in compliance purposes	IMPORT			TOTAL
Expenses of the activities	1.549.991,44			1.549.991,44
2. Investments made in the activity during the year (breakdown sheet 2.b)	Own Funds	Grants, donations and legacies	Debt	
2.1. Made during the year	13.154,00			13.154,00
2.2 From previous years				
a) Debts written off in the year incurred in previous exercises				-
b) Allocation of grants, donations and bequests of capital from previous years				-
TOTAL (1+2)				1.563.145,44

Fdo.: El Secretario



Vº Bº: El Presidente



APPLICATION MODELS TO EXPRESS THE DESTINATION OF INCOME AND REVENUE
(ART. 27 LAW 50/2002 and 32 R.D. 1337/2005)

2. A) INVESTMENTS MADE IN ITSELF EFFECTIVELY ACTIVITY IN COMPLIANCE WITH FINES

Account number	Balance entry	Investment detail	Acquisition		Form of financing			Investment computed as compliance purposes		
			Date	Acquisition value	Equity	Grant, donation or bequest	Loan	Amount to the fiscal year (N-1)	Amount in the fiscal year (N)	Outstanding amount
203	II	Industrial property	03/2017	1.387,00	1.387,00	-	-	-	-	-
21501	II	Other fixtures	09/2017	9.401,00	9.401,00	-	-	-	-	-
21601	II	Furniture	04/2017	620,00	620,00	-	-	-	-	-
21601	II	Furniture	04/2017	620,00	620,00	-	-	-	-	-
217	II	Computer hardware	02/2017	1.126,00	1.126,00	-	-	-	-	-
TOTAL				13.154,00	13.154,00	-	-	-	-	-

Fdo.: El Secretario

Vº Bº: El Presidente

APPLICATION MODELS TO EXPRESS THE DESTINATION OF INCOME AND REVENUE
(ART. 27 LAW 50/2002 and 32 R.D. 1337/2005)

3. ADMINISTRATIVE EXPENSES (art. 27.3 Law 50/2002 y art. 33 of the Regulation)

3.1 A) DETAILS OF ADMINISTRATIVE EXPENSES			
Account number	PL entry	Expense description	Amount
62904	9	Locomotion expenses	24.369,33
Subtotal			24.369,33

3.1 B) THE AMOUNT OF THE LIMIT ADMINISTRATIVE EXPENSES					
EXERCISE	Alternative Limits (art. 33 R.D. 1337/2005)		Expenses directly caused by the administration of the estate (3)	Compensable expenses to employers (4)	TOTAL COST MANAGEMENT EXERCISE (5)=(3)+(4)
	5% of the equity (1)	20% of the application base (2)			
2017	207.158,22	489.754,51	-	24.369,33	24.369,33
					NO PASSES

Fdo.: El Secretario



Vº Bº: El Presidente



APPLICATION MODELS TO EXPRESS THE DESTINATION OF INCOME AND REVENUE
(ART. 27 LAW 50/2002 and 32 R.D. 1337/2005)

II. DESTINO Y APLICACIÓN DE RENTAS E INGRESOS A FINES

Exercise	EXCESS OF THE YEAR	NEGATIVE ADJUSTMENTS	POSITIVE ADJUSTMENTS	CALCULATION BASIS	RENT TO BE DESTINED		RESOURCES INTENDED FOR PURPOSES	APPLICATION OF THE RESOURCES INTENDED FOR COMPLIANCE WITH THEIR PURPOSES							OUTSTANDING AMOUNT	
					Import	%		2011	2012	2013	2014	2015	2016	2017		
2011	779.880,70	-	559.364,50	1.339.245,20	937.471,64	70%	555.692,50	1.185.661,37								1.185.661,37
2012	(249.230,30)	-	810.500,54	561.270,24	392.889,17	70%	849.529,57		937.471,64							937.471,64
2013	(46.135,52)	-	603.183,57	557.048,05	389.933,64	70%	596.497,92			392.889,10						392.889,10
2014	202.085,32	-	1.057.687,62	1.259.772,94	881.841,06	70%	1.405.914,61				881.841,06					881.841,06
2015	1.064.037,18	-	1.244.752,36	2.308.789,54	1.616.152,68	70%	2.277.966,36					1.616.152,68				1.616.152,68
2016	745.651,06	-	1.236.023,13	1.981.674,19	1.387.171,93	70%	1.179.504,03						1.387.171,93			1.387.171,93
2017	843.067,55	-	1.605.704,99	2.448.772,54	1.714.140,78	70%	1.549.991,44								1.714.140,78	1.714.140,78
TOTAL								1.185.661,37	937.471,64	392.889,10	881.841,06	1.616.152,68	1.387.171,93	1.714.140,78	1.387.171,93	

Fdo.: El Secretario



Vº Bº: El Presidente



DEBT						
	DEBT DESCRIPTION	FORMALIZATION DATE	NOMINAL VALUE	REFUND VALUE	AMORTIZED OR RETURNED AMOUNTS	SATISFIED INTERESTS
LONG TERM	CREDIT BANK DEBTS					
	Bank Sabadell Loan	19.05.2015	800.000,00 €		457.035,07	25.547,56
	(Description)					
	CREDITORS FOR FINANCIAL LEASING					
	(Description)					
	(Description)					
	DEBT WITH GROUP COMPANIES AND ASSOCIATES					
	(Description)					
	(Description)					
	SUPPLIERS OF INMOVABLE ASSETS					
	(Description)					
	(Description)					
	BY GRANT REFUNDABLE					
	(Description)					
	(Description)					
	FOR DEPOSITS AND GUARANTEES					
	(Description)					
	(Description)					
	OTHER DEBT					
	(Description)					
SHORT TERM	Short-term provisions	31.12.2017	22.131,96 €			
	Suppliers	31.12.2017	11.347,86 €			
	Other creditors	31.12.2017	232.740,22 €			
	Short-term accruals	31.12.2017	64.314,10 €			




ASSETS AND RIGHTS						
ELEMENT DESCRIPTION	ACQUISITION DATE	TOTAL BOOK VALUE	OTHER VALUATIONS PERFORMED	AMORTIZATIONS, DEPRECIATION AND OTHER OFFSETTING ENTRIES	BURDENS AND ENCUMBRANCES	OTHER CIRCUMSTANCES
PROPERTY, PLANT AND EQUIPMENT						
Land and natural assets						
(Description)						
Constructions						
(Description)	31.12.2016	1.036.006,67 €		31.080,20 €		
Technical facilities						
Terminal Digital	31.12.2012	766,76 €		68,69 €		
Other property, plant and equipment						
Other facilities	31.12.2014	38.345,18 €		5.281,45 €		
Other facilities social center	31.12.2015	36.866,71 €		6.635,92 €		
Other facilities social center	31.03.2016	554,50 €		98,01 €		
Other facilities social center	30.09.2017	9.401,00 €		564,06 €		
Equipment for information processing	31.12.2014	14.890,25 €		1.489,09 €		
Furnishings social center	31.12.2015	23.831,77 €		2.383,18 €		
Transport Elements	31.12.2016	6.269,18 €		626,92 €		
Equipos Proc. Información	31.12.2014	6.315,34 €		507,50 €		
Equipos Proc. Información	30.06.2016	1.281,00 €		320,25 €		
Equipos Proc. Información	28.02.2017	1.126,00 €		258,04 €		
Fixed assets in progress						
Constructions						
Land and natural assets						
(Description)						
31						
Investigation						
(Description)						
Development						
(Description)						
Administrative concessions						
(Description)	31.12.2014	315.363,03 €				
Intellectual and industrial property						
Brands	31.12.2014	535,68 €				
Brands	31.07.2016	519,00 €				
Brands	31.03.2017	1.387,00 €				
Computer applications						
MAC HOME LICENSES AND WARRANTIES						
Other intangible assets						
(Description)	31.12.2012	789,74 €				
Investigation						




HISTORICAL HERITAGE PROPERTY						
Property						
(Description)						
Files						
(Description)						
Libraries						
(Description)						
Museums						
(Description)						
Movable property						
(Description)						
Other goods of historical and artistic value not included in Law 16/1985						
(Description)						
INVESTMENT PROPERTY						
Land and natural assets						
(Description)						
Buildings						
(Description)						
LONG-TERM FINANCIAL INVESTMENT IN GROUP AND ASSOCIATE ENTITIES						
Negotiable values						
(Description)						
Loans and other loans granted						
(Description)						
OTHER LONG-TERM FINANCIAL INVESTMENTS						
Negotiable values						
(Description)						
Loans and other loans granted						
(Description)						
Bonds and deposits						
Security deposit Endesa	31.01.2012	3.983,65 €				
Deposits Banco Sabadell	31.12.2015	1.000.000,00 €				
Security Deposit Manacor	31.12.2016	6.000,00 €				
Security Deposit Manacor	31.12.2016	1.200,00 €				

Fdo.: El Secretario



Vº Bº: El Presidente



Income statement line item	Type of expense	2017	2016
600	Purchases	9.425,72 €	5.527,32 €
607	Work performed by other companies	199.892,18 €	398.416,70 €
621	Rent	85.871,17 €	68.379,03 €
622	Repair and upkeep expenses	1.823,48 €	2.951,20 €
623	Professional services	102.655,48 €	70.614,51 €
625	Insurance	4.593,07 €	4.442,13 €
626	Bank Services	376,67 €	143,93 €
628	Utilities	4.073,21 €	5.199,85 €
629	Other expenses	62.608,76 €	57.859,66 €
631	Other tributes	25.528,80 €	13.669,04 €
640	Salaries	364.200,55 €	146.254,73 €
642	Employer social security costs	42.703,59 €	34.232,58 €
649	Other employee benefit costs	1.537,50 €	1.618,10 €
650	Aid	636.378,80 €	363.258,34 €
610	Changes in inventories of finished goods and work in progress	- 3.522,83 €	- 7.610,38 €
662	High financial expenses	11.845,29 €	13.702,27 €
	Total	1.549.991,44 €	1.178.659,01 €
	Dif. 2017/2016	371.332,43 €	

Fdo.: El Secretario




V° B°: El Presidente



DEVELOPMENT OF ABBREVIATED FINANCIAL STATEMENTS

Pursuant to current trading regulations, the **Foundation of RAFA NADAL** draw up the annual accounts corresponding to the financial year ending on December 31, 2017, which are composed of the attached pages number 1 to 53.

Barcelona, June 14th 2018



Ms. Ana María Parera
President



Ms. María Francisca Perelló
Secretary



BDO Auditores S.L.P., es una sociedad limitada española, y miembro de BDO International Limited, una compañía limitada por garantía del Reino Unido, y forma parte de la red internacional BDO de empresas independientes asociadas.

BDO es la marca comercial utilizada por toda la red BDO y para todas sus firmas miembro.

bdo.es
bdo.global



Auditoría & Assurance | Advisory | Abogados | Outsourcing