

Audit Report on Abridged Annual Accounts
issued by an Independent Auditor

FUNDACIÓN RAFA NADAL
Abridged Annual accounts
for the eight-month period ended
August 31, 2021

AUDIT REPORT ON ABRIDGED ANNUAL ACCOUNTS ISSUED BY AN INDEPENDENT AUDITOR

Translation of reports and accounts originally issued in Spanish and prepared
in accordance with generally accepted accounting principles in Spain (See Note 21).
In the event of a discrepancy, the Spanish-language version prevails

To the Board of trustees of FUNDACIÓN RAFA NADAL at the request of the General Management:

Opinion

We have audited the abridged annual accounts of FUNDACIÓN RAFA NADAL (the Foundation) which comprise the abridged balance sheet as at August 31, 2021, the abridged income statement, and the abridged notes thereto for the eight-month period then ended.

In our opinion, the accompanying abridged annual accounts give a true and fair view, in all material respects, of the equity and financial position of the Foundation at August 31, 2021, and of its financial performance and its cash flows for the eight-month period then ended in accordance with the applicable regulatory framework for financial information in Spain (identified in Note 2 to the accompanying abridged annual accounts) and, specifically, the accounting principles and criteria contained therein.

Basis for opinion

We conducted our audit in accordance with prevailing audit regulations in Spain. Our responsibilities under those regulations are further described in the *Auditor's responsibilities for the audit of the abridged annual accounts* section of our report.

We are independent of the Foundation in accordance with the ethical requirements, including those related to independence, that are relevant to our audit of the annual accounts in Spain as required by prevailing audit regulations. In this regard, we have not provided non-audit services nor have any situations or circumstances arisen that might have compromised our mandatory independence in a manner prohibited by the aforementioned requirements.

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

Most relevant audit issues

Most relevant audit issues are those matters that, in our professional judgment, were the most significant assessed risks of material misstatements in our audit of the abridged annual accounts of the current period. These risks were addressed in the context of our audit of the abridged annual accounts, as a whole, and in forming our audit opinion thereon, and we do not provide a separate opinion on these risks.

Revenue recognition of income for the year

Description As indicated in the abridged income statement of the accompanying abridged accounts, income from the Foundation's activity has amounted to 1,025 thousand euros during the eight-month period ended August 31, 2021. We have considered revenue recognition as the area of most significant risk in the performance of our audit work since, for its calculation and recognition, Management are required to make estimates.

Our response Our audit procedures have mainly consisted in:

- ▶ the understanding of the policies and procedures applied by the Foundation;
- ▶ the performance of a significant sample of revenue arising from the Foundation's activity and the analysis of all the documentation generated in this revenue;
- ▶ the performance of analytical procedures to verify the coherence of revenue from the activity in comparison to previous years; and
- ▶ tests to verify the correct cut-off procedures of operations in the revenue arising from the Foundation's activities and other revenue arising from the activities undertaken at closing.

Board of Trustees members' responsibilities for the abridged accounts

The members of the Board of Trustees are responsible for the preparation of the accompanying abridged annual accounts so that they give a true and fair view of the equity, financial position and results of the Foundation, in accordance with the regulatory framework for financial information applicable to the Foundation, identified in Note 2 of the accompanying abridged annual accounts and for such internal control as they determine is necessary to enable the preparation of abridged annual accounts that are free from material misstatement, whether due to fraud or error.

On preparing the abridged annual accounts the Trustees are responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the abridged annual accounts

Our objectives are to obtain reasonable assurance about whether the abridged annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

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

As part of an audit in accordance with prevailing audit regulations in Spain, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the abridged annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the members of the Trust.
- Conclude on the appropriateness of the members of the Trust's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the abridged annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the abridged annual accounts, including the disclosures, and whether the abridged annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the members of the Trust regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the significant risks communicated with the members of the Foundation's Trust, we determine those that were of most significance in the audit of the abridged annual accounts of the current period and are therefore the most significant assessed risks.

We describe those risks in our auditor's report unless law or regulation precludes public disclosure about the matter.

ERNST & YOUNG, S.L.

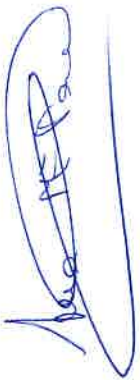


Juan Manuel Martín de Vidales Bennásar

April 1, 2022

FUNDACIÓN RAFA NADAL

ABRIDGED ACCOUNTS FOR THE EIGHT-MONTH PERIOD ENDED AUGUST 31, 2021 AND THE AUDIT REPORT ON
THE ABRIDGED ACCOUNTS ISSUED BY AN INDEPENDENT AUDITOR



FUNDACIÓN RAFA NADAL

ABRIDGED ACCOUNTS FOR THE EIGHT-MONTH PERIOD ENDED AUGUST 31, 2021

REGISTRATION NUMBER: 1539
TAX ID.: G57533473
FINANCIAL YEAR: 2021

Aug 2021



FUNDACIÓN RAFA NADAL

ABRIDGED BALANCE SHEET AT AUGUST 31, 2021 AND DECEMBER 31, 2020
(In euros)

ASSETS	NOTES	31.08.2021	31.12.2020
A) NON-CURRENT ASSETS		2,108,365.76	2,153,903.85
I. Intangible assets	5.1	272,972.51	277,982.84
II. Property, plant & equipment	5.2	974,983.69	1,007,834.05
III. Non-current financial investments	7	860,409.56	860,409.56
VII. Deferred tax assets		-	7,677.40
B) CURRENT ASSETS		6,473,962.76	5,674,210.00
I. Inventories		14,481.13	55,591.65
II. Users and other receivables from own activities	10	55,445.44	313,873.36
III. Trade and other receivables	7	75,329.38	26,530.12
IV. Current prepayments and accrued income	11.1	-	137,466.74
V. Cash and cash equivalents	8	6,328,706.81	5,140,748.13
TOTAL ASSETS (A+B)		8,582,328.52	7,828,113.85

FUNDACIÓN RAFA NADAL
ABRIDGED BALANCE SHEET AT AUGUST 31, 2021 AND DECEMBER 31, 2020
(In euros)

EQUITY AND LIABILITIES	NOTES	31.08.2021	31.12.2020
A) EQUITY		7,130,696.72	7,103,749.17
A-1) Shareholders' equity	12	6,818,229.44	6,783,316.91
I. Founding capital/Social Fund		30,000.00	30,000.00
1. Founding capital/Social Fund		30,000.00	30,000.00
II. Surplus from previous years		6,753,316.91	6,216,229.18
III. Surplus for the year	3	34,912.53	537,087.73
A-2) Grants, donations and legacies received	15	312,467.28	320,432.26
B) NON-CURRENT LIABILITIES		80,407.32	150,901.49
I. Borrowings	9	80,407.32	150,901.49
1. Bank borrowings		80,407.32	150,901.49
C) CURRENT LIABILITIES		1,371,224.48	573,463.19
I. Provisions		-	-
II. Borrowings	9	107,371.34	105,867.23
1. Bank borrowings		105,399.34	104,039.10
3. Other borrowings		1,972.00	1,828.13
IV. Beneficiaries-Payables	11	142,448.58	57,700.11
V. Trade and other payables	9	122,649.76	109,518.16
1. Payable to suppliers		-	-
2. Other creditors		122,649.76	109,518.16
VI. Prepayments and accruals	11.1	998,754.80	300,377.69
TOTAL EQUITY AND LIABILITIES (A + B + C)		8,582,328.52	7,828,113.85

FUNDACION RAFA NADAL
ABRIDGED PROFIT AND LOSS ACCOUNT
FOR THE EIGHT-MONTH PERIOD ENDED AUGUST 31, 2021 AND THE YEAR ENDED DECEMBER 31, 2020
(In euros)

	NOTES	31.08.2021	31.12.2020
A. Surplus for the year			
1. Income from the activity	14.5	1,025,239.17	1,908,277.95
a) Income from promotions, sponsors and collaborations		447,410.30	457,953.64
b) Grants, donations and legacies carried to surplus for the year	14.5	577,828.87	1,450,324.31
2. Sales and other revenue from commercial activity	14.5	33,652.17	67,258.25
3. Aid and other expenses	14.1	(514,629.41)	(623,854.88)
a) Monetary aid		(514,629.41)	(606,739.88)
b) Non-monetary aid		-	(17,115.00)
4. Changes in inventory of finished goods and work in progress		(41,110.52)	41,610.54
5. Supplies	14.2	(168,616.52)	(259,477.16)
6. Other income from operations	14.5	215,720.02	25,668.30
a) Sundry and other management expenses		215,720.02	25,668.30
7. Personnel expenses	14.3	(285,222.08)	(339,175.70)
8. Other business expenses	14.4	(222,808.18)	(169,602.84)
9. Depreciation and amortisation	5	(40,691.07)	(66,090.67)
10. Grants, donations and bequests transferred to capital surplus for the year	15	7,964.98	11,542.48
a) Expenses related to the activity			
A. Surplus for the year		7,964.98	11,542.48
A.1) SURPLUS OF ACTIVITY (1+2+3+4+5+6+7+8+9+10)		9,498.56	596,156.27
11. Finance income		19,811.20	19,102.00
12. Finance expenses		(2,921.99)	(6,052.26)
13. Change in fair value of financial instruments		-	-
14. Exchange differences		30,392.34	(60,923.14)
A.2) SURPLUS OF FINANCIAL TRANSACTIONS (11+12+13+14)		47,281.55	(47,873.40)
A.3) SURPLUS BEFORE TAXES (A.1+A.2)		56,780.11	548,282.87
15. Income tax	13	(21,867.58)	(11,195.14)
A.4) CHANGES IN EQUITY RECOGNISED IN THE PERIOD'S SURPLUS (A.3+15)		34,912.53	537,087.73
B) Reclassifications surplus for the year		(7,964.98)	(11,542.48)
1. Grants received			
2. Donations and bequests		(7,964.98)	(11,542.48)
B.11 CHANGES IN EQUITY FOR RECLASSIFICATIONS TO THE PERIOD'S SURPLUS		(7,964.98)	(11,542.48)
C) Changes in equity for income and expense directly recognised in equity		(7,964.98)	(11,542.48)
I) TOTAL RESULT, CHANGES IN NET ASSETS FOR THE PERIOD (A.4+B)		26,947.55	525,545.25

FUNDACIÓN RAFA NADAL
ABRIDGED NOTES TO THE ACCOUNTS FOR THE EIGHT-MONTH PERIOD
ENDED AUGUST 31, 2021

NOTE 1. ACTIVITIES OF THE FOUNDATION

a) Objectives of the Foundation

The general interest purposes of Fundació Rafa Nadal (the Foundation) are research, social assistance and cooperation for the development and promotion of sport. Within these general purposes, the entity has the more specific and immediate purpose of promoting sport as a tool for the social integration of people at risk of social exclusion, especially young people, the promotion, directly or through third parties, of research projects aimed at improving sport in general and support for young athletes, to both improve their sporting performance and to help them combine high performance sports with their general education. Moreover, the Foundation aims to promote, stimulate, encourage and contribute to sporting talent, on occasion, together with school or university education, offering full support to athletes from various sporting disciplines and giving them everything they need to improve their future sporting, educational and personal performance.

b) The activities undertaken during the year have been the following:

Activity 1: In 2015, the foundation built 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 neighbourhoods of La Soledad and Nou Llevant. Since then, the entity has developed a comprehensive program at the centre aimed at children and young people between 5 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 260 children attending with a supplement to their school education using sports, education and psychological care as their main tools.

Activity 2: Sports and academic scholarships that, under the name "Study and Play", aim to make it possible for young Spanish athletes to combine high level sport with university studies in the United States.

During 2016, the year the programme began, 10 scholarships were awarded to different athletes (tennis and pole vault) for various university degrees (engineering, economics/business studies, etc.). In 2021, 15 students from various degree courses (economics, biology, engineering, etc.) and sports (tennis, football, swimming, etc.) received scholarships and in 2020, 21.

Activity 3. Proyecto Anantapur or "Nadal Educational Tennis School (NETS)": This social project is undertaken in one of the most impoverished rural areas of India thanks to the collaboration with the Vicente Ferrer Foundation. As well as a school, this is a tennis training and practice centre, using this sport as a social integration tool. This programme is completed with training in IT studies and English, tutoring and nutritional and health coverage. The beneficiaries of this programme are 263 children and young people aged between 7 and 19 years old, 263 in 2020.

Activity 4. "Más que Tenis" (More than Tennis). This project, in collaboration with Special Olympics Spain, offers young people with intellectual disabilities the opportunity to play tennis. This programme works on improving the participants' physical, coordination, intellectual and social abilities. It is carried out in 20 schools in eight Spanish autonomous communities, involving more than 218 beneficiaries aged between 15 and 35 years, 218 beneficiaries in 2020.

FUNDACIÓN RAFA NADAL
ABRIDGED NOTES TO THE ACCOUNTS FOR THE EIGHT-MONTH PERIOD
ENDED AUGUST 31, 2021

Activity 5: In 2021, the Foundation organised the eighth edition of the youth tennis circuit, "Rafa Nadal Tour by Santander", the profits of which are used to finance the aforementioned activities. The participants in this tour are children from the sub-12 and sub-14 categories, who are registered members of and hold a license for the Real Federación Española de Tenis (Royal Spanish Tennis Federation). This circuit differs from others in the sector by combining sports competition with an educational aspect and promoting the values of sport through the performance, in each of the tournaments, of recreational activities that are also educational, under the name "entrenamientos en valores" (training in values).

Activity 6: Since 2016, the Foundation receives part of the profits (according to the contract between the Foundation and the management company of the "Rafa Nadal Sport Centre") arising from the sale of entrance tickets to the "Rafa Nadal Museum Xperience". Moreover, the Foundation receives all of the revenue from the sale of charity products sold in both the museum shop and, since 2018, the on-line shop, "Rafa Nadal Academy by Movistar". The products, mainly made by the Foundation, are available to all those who visit the abovementioned facilities, located in Manacor, as well as on the internet.

Activity 7: Integral education and sports project called Centro Fundación Rafa Nadal, located in Valencia and aimed at children and young people who live in poverty or in a situation of poverty or risk of social exclusion and who present difficulties for their integration into society. The project is located in premises that have been temporarily donated by the Valencia City Council on May 30, 2019. See Note 4.1 Administrative Concessions.

c) Constitution and Registered Office

Fundación Rafa Nadal ("the Foundation" or "the Entity") was constituted on November 20, 2007, with its registered office at Rambla del Rei Jaume, number 14, in Manacor. On October 29, 2009, the change of registered office to Calle Pau Claris, number 155, 3^o 1^a, in Barcelona, was approved. On April 24, 2012, the Board of Trustees agreed to change the registered office to Avenida Diagonal, number 618, Planta 5^a, puerta A, in Barcelona. On June 14, 2018, the Board of Trustees resolved to change the registered address to Carretera Cales de Mallorca, Km 1.2, in Manacor (Mallorca).

The Foundation has 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 February 11, 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 Foundation's general interest objectives, it 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 1 to August 31.

In view of the activities carried out by the Foundation, it does not have any environmental liabilities, expenses, assets, provisions or contingencies that may 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 annual accounts.

FUNDACIÓN RAFA NADAL
ABRIDGED NOTES TO THE ACCOUNTS FOR THE EIGHT-MONTH PERIOD
ENDED AUGUST 31, 2021

NOTE 2. BASIS OF PRESENTATION OF THE ABRIDGED ANNUAL ACCOUNTS

Fair presentation and regulatory financial reporting framework applicable to the Foundation

The accompanying abridged accounts for the eight-month period ended August 31, 2021, have been obtained from the Foundation's accounting records and are presented in accordance with the regulatory financial reporting framework applicable to the Foundation, showing a true and fair view of the equity, financial position and results for the year. In particular, the regulatory financial reporting framework applicable to the Foundation consists of:

- a) The Spanish Code of Commerce and other Spanish corporate law.
- b) Foundations Law 50/2002, of 26 December, and Law 49/2002, of December 23, on the tax regime of non-profit organisations and tax incentives for sponsorships, as well as the related regulations.
- c) The Spanish National Chart of Accounts approved by Royal Decree 1514/2007, dated November 16. There have been various modifications since its publication, the most recent by means of Royal Decree 1/2021, dated January 12. Also, its development standards, the remaining prevailing mercantile legislation and its industry adaptations; in particular, Royal Decree 1491/2011, of 24 October, approving the rules for adaptation of the Spanish National Chart of Accounts for non-profit organisations and the action plan for non-profit organisations. Moreover, the Spanish Accounting and Audit Institute (ICAC) Resolution approving the Spanish National Chart of Accounts for non-profit organisations, of March 26, 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 complementary standards.
- e) All other applicable Spanish accounting legislation.

These abridged accounts for the eight-month period ended August 31, 2021, which have been formulated by the Chairwoman, will be submitted for the approval of the Board of Trustees and are expected to be approved without any modification. The 2020 abridged annual accounts were approved by the Foundation's Board of Trustees on June 24, 2021.

Non-obligatory accounting principles applied

No non-obligatory accounting principles were applied. Also, the Foundation's Board of Trustees prepared these abridged accounts for the eight-month period ended August 31, 2021, considering all the obligatory accounting principles and standards with a significant effect on said accounts. All obligatory accounting principles were applied.

FUNDACIÓN RAFA NADAL
ABRIDGED NOTES TO THE ACCOUNTS FOR THE EIGHT-MONTH PERIOD
ENDED AUGUST 31, 2021

Key issues in relation to the measurement and estimation of uncertainty

On preparing the accompanying abridged accounts for the eight-month period ended August 31, 2021, estimates were made by the Chairwoman in order to measure certain assets, liabilities, income, expenses and obligations reported herein. These estimates basically relate 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 closing for the eight-month period ended August 31, 2021, events that take place in the future might make it necessary to change these (upwards or downwards) in the forthcoming years. Changes in accounting estimates would be applied prospectively.

Comparative information

While these abridged accounts relate to the eight-month period between January 1, 2021 and August 31, 2021, the annual accounts for 2020 related to the twelve-month period between January 1, 2020 and December 31, 2020. This fact must be taken into account when comparing the information.

On January 30, 2021, Royal Decree Law 1/2021, dated January 12, was published modifying the General Chart of Accounts approved by Royal Decree Law 1514/2007, dated November 16 and the rules for adaptation of the Spanish National Chart of Accounts for non-profit organisations in Royal Decree Law 1491/2011, dated October 24. The changes to the General Chart of Accounts are applicable to accounting periods as of January 1, 2021 and mainly focus on criterion related to recognition, measurement and the disclosure of revenue and financial instruments.

The new criterion have not generated significant changes for the Foundation in terms of recognition, measurement, presentation and disclosure in the accounts or the comparative figures.

These accounts are the ninth prepared by the Foundation's Chairwoman in accordance with the rules adapting the Spanish National Chart of Accounts for non-profit organisations approved by Royal Decree 1491/2011.

2.1 Effect of the COVID-19 pandemic on the Foundation's activity

On March 11, 2020, the World Health Organisation declared that they considered the coronavirus (COVID-19) outbreak to be an international pandemic. The swift development of the situation, on an international scale, has resulted in an unprecedented health crisis, which will have an impact on the macroeconomic environment and businesses. In order to confront this situation, in 2020 and 2021 a number of measures were implemented to mitigate the economic and social impact, including the restricted movement of people. Specifically, the Spanish government declared a state of alarm, through the publication of Royal Decree 463/2020, dated March 14, which was lifted on July 1, 2020 and approved a number of extraordinary urgent measures in order to address the economic and social impact of COVID-19, by means of Royal Decree Law 8/2020, dated March 17.

Royal Decree Law 463/2020 was subsequently extended through Royal Decree Law 926/2020, dated October 25 until November 9, 2020 and finally, through Royal Decree Law 956/2020, dated November 3, it was extended until May 9, 2021.

FUNDACIÓN RAFA NADAL
ABRIDGED NOTES TO THE ACCOUNTS FOR THE EIGHT-MONTH PERIOD
ENDED AUGUST 31, 2021

The evolution of the pandemic is having consequences on both the economy in general and on the Foundation's activities. The consequences are uncertain in the forthcoming months and will, to a large extent, depend on the evolution and spread of the pandemic.

At the date of these abridged annual accounts there has been no significant effect on the Foundation's activity and, according to the current estimates of the Board of Trustees, no significant effects are expected in the period starting on September 1, 2021.

2.2 Going concern principle

At August 31, 2021, the Foundation presents positive net equity for an amount of 7,130,696.72 euros and positive working capital for an amount of 5,102,738.28 euros.

The Trust has prepared these abridged accounts under the going concern principle, since they consider that the cash flows generated by the activity will be sufficient to permit the fulfilment of commitments and payment obligations contracted by the Foundation.

NOTE 3. DISTRIBUTION OF SURPLUS

Proposed allocation of the surplus for the year:

The Chairwoman's proposal to apply the surplus for the year, to be submitted for approval to the Board of Trustees is as follows:

	31.08.2021	31.12.2020
Proposed appropriation		
Surplus for the year	34,912.53	537,087.73
	34,912.53	537,087.73
Appropriation to:		
Carryover	34,912.53	537,087.73
	34,912.53	537,087.73

Information on the legal limitations on the allocation of surpluses:

There are no legal limitations on the allocation of results.

NOTE 4. RECOGNITION AND MEASUREMENT OF ACCOUNTING POLICIES

The main accounting policies used by the Foundation when preparing its abridged accounts for the eight-month period ended August 31, 2021, in accordance with Royal Decree 1491/2011, of 24 October, approving the rules for the adaptation of the Spanish National Chart of Accounts for non-profit organisations and the action plan model for non-profit organisations, to the extent that those rules do not contradict the Spanish National Chart of Accounts, were as follows:

FUNDACIÓN RAFA NADAL
ABRIDGED NOTES TO THE ACCOUNTS FOR THE EIGHT-MONTH PERIOD
ENDED AUGUST 31, 2021

4.1. Intangible assets

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

Computer software:

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

Administrative concessions:

On April 30, 2014, the Palma de Mallorca City Council agreed to grant the concession of a plot of land for the Foundation. The concession's purpose is the development of a social rehabilitation program aimed at children, based on sports and the development of educational, social and family support programs in a sector of the city, mainly formed by two neighbourhoods, 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 has committed to financing the performance and maintenance of the work, buildings and installations on the land, either with its own or third party funds, but under no circumstances by means of a mortgage on the property right of the work for the fulfilment of the concession.

Said administrative concessions were recognised at the fair value of the land according to an independent expert's report conducted on May 15, 2015. It is amortised over 50 years.

On May 30, 2019, Valencia City Council approved the donation of the use of premises in the Nazaret area for the opening of a social centre for children at risk of social exclusion. Since the concession does not establish a minimum number of years and can be cancelled at any time by the grantor, no value has been allocated to this intangible asset.

4.2. Property, plant and equipment

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

Property, plant and equipment upkeep and maintenance expenses are recognised in the abridged income statement for the year in which they are incurred. On the contrary, the amounts invested in improvements leading to increased capacity or efficiency or to lengthening the useful lives of said assets, are recognised as a greater cost of the assets.

FUNDACIÓN RAFA NADAL
ABRIDGED NOTES TO THE ACCOUNTS FOR THE EIGHT-MONTH PERIOD
ENDED AUGUST 31, 2021

The Foundation depreciates its property, plant and equipment by the straight-line method, applying annual depreciation percentages calculated based on the estimated useful lives of the respective assets, as follows:

	Annual percentage
Buildings	3%
Technical plant	12%
Other plant	10-15%
Computer hardware	20%
Vehicles	20%

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 August 31, 2021, the Chairwoman of the Foundation considers that there are no indications that the Foundation's assets may have become impaired.

4.3 Leases

Leases are classified as finance leases whenever the terms of the lease substantially transfer 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

Expenses from operating leases are recognised in profit or loss on an accrual basis.

Any payment made on contracting an operating lease, will be considered as a prepayment and will be carried to results over the lease term, to the extent that the benefits of the leased assets are transferred or received.



FUNDACIÓ RAFA NADAL
ABRIDGED NOTES TO THE ACCOUNTS FOR THE EIGHT-MONTH PERIOD
ENDED AUGUST 31, 2021

4.4. Financial instruments

Financial assets

Recognition and measurement

Upon initial recognition, the Foundation classifies all financial assets under one of the categories listed below, determining the applicable initial and subsequent valuation methods:

- Financial assets at fair value through profit and loss
- Financial assets at amortised cost
- Financial assets at fair value through equity
- Financial assets at cost

- Financial assets at fair value through profit and loss

The Company classifies a financial asset as at fair value through profit or loss unless it must be classified into one of the other categories.

In any event, financial assets held for trading are included in this category. The Company considers that a financial asset is held for trading if it meets at least one of the following circumstances:

- a) It originates or is acquired for the purpose of selling it in the near term.
- b) It is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking.
- c) It is a derivative, except for a derivative that is a financial guarantee contract or a designated hedging instrument.

In addition, the Company may, at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss that would otherwise be included in another category (often referred to as the "fair value option"). This option may be elected if it eliminates or significantly reduces a measurement inconsistency or an accounting mismatch that would otherwise arise from measuring assets or liabilities on different bases.

Financial assets classified in this category are measured initially at fair value. In the absence of evidence to the contrary, this is presumed to be the transaction price, which is equivalent to the fair value of the consideration given. Directly attributable transactions costs are recognised in profit or loss for the reporting period (i.e. they are not capitalised).

After initial recognition, the Company measures the financial assets in this category at fair value through profit or loss (net finance income or expense).

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Financial assets at amortised cost

The Company classifies financial assets in this category, even if they are admitted to trading on an exchange, if the following conditions are met:

- The Company holds the financial assets within a business model whose objective is to collect contractual cash flows.
Management of a portfolio of financial assets to collect contractual cash flows does not necessarily imply that all the instruments must be held to maturity. Financial assets can be managed with this objective when sales occur or are expected to occur in the future. For this purpose, the Company considers the frequency, value and timing of sales in prior periods, the reasons for those sales and expectations about future sales activity.
- The contractual characteristics of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These contractual cash flows are inherent to a basic lending agreement, but the loan agreed could be interest-free or at a below-market interest rate.
- This condition is presumed to be met in the case of a bond or simple loan with a specified maturity date whereby the Company receives a floating interest rate, which could be subject to a cap. Conversely, this condition is presumed to be met in the case of instruments that are convertible into equity instruments of the issuer, loans that pay an inverse floating rate (i.e. the interest rate has an inverse relationship to market interest rates) or those in which the issuer may defer interest payments if payment would affect its solvency, without the deferred interest accruing additional interest.

In general, this category includes receivables from trade transactions ("Trade receivables") and receivables from non-trade transactions ("Other receivables").

Financial assets classified in this category are measured initially at fair value. In the absence of evidence to the contrary, this is presumed to be the transaction price, which is equivalent to the fair value of the consideration given plus directly attributable transaction costs, i.e. inherent transaction costs are capitalised.

Nonetheless, trade receivables falling due within one year for which there is no contractual interest rate, and loans to personnel, dividends receivable and receivables on called-up equity instruments expected to be collected in the short term are measured at their nominal amount, provided that the effect of not discounting the cash flows is not material.

They are measured subsequently at amortised cost. Accrued interest is recognised in profit or loss (finance income) using the effective interest rate method.

Receivables falling due within one year, as explained previously, are measured both initially and subsequently at their nominal amount unless they are credit-impaired.

In general, when the contractual cash flows of a financial asset at amortised cost are modified due to the financial difficulties of the issuer, the Company assesses whether impairment should be recognised.

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- *Financial assets at fair value through equity*

Financial assets fulfilling the following conditions are included:

- The financial instrument is not held for trading and should not be classified at amortised cost.
- On specific dates, the contractual characteristics of the financial asset generate cash flows that are solely payments of principal and interest on the amount of principal pending.

Moreover, the Company has the option to classify (irrevocably) investments in equity instruments in this category, as long they are not maintained for trade and should not be valued at cost (see cost category below).

Financial assets under this category are initially measured at fair value, which, unless there is evidence to the contrary, is assumed to be the transaction cost, that is equal to the fair value of the consideration delivered, plus any directly attributable transaction costs, i.e. inherent transaction costs are capitalised.

The subsequent value is at fair value, without deducting the transaction costs that may be incurred through its sale. Changes generated by fair value are directly recognised in equity, until the financial asset is disposed of or impaired. When this occurs, the amount recognised is carried to the income statement.

Valuation adjustments and profit and loss arising from foreign currency exchange differences in monetary financial assets, are recognised in the income statement and not in equity.

The amount of interest, calculated using the effective interest rate and accrued dividends (finance income) method are also recognised in profit and loss.

Financial assets at cost

Under this category the Company always includes:

- a) Equity investment in group companies, multigroup companies and associates (in the individual financial statements).
- b) The remaining investments in equity instruments, the fair value of which cannot be determined by reference to a quoted price in an active market for a similar instrument, or cannot be reliably estimated and derivatives that have these underlying investments.
- c) Hybrid financial assets with a fair value that cannot be reliably estimated, unless the requirements for their recognition at amortised cost can be fulfilled.
- d) Contribution made as a result of a joint account contract or similar.

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- e) Equity loans with contingent interest payments, either because a fixed interest rate or a floating rate contingent on compliance with a milestone by the borrower (e.g. obtaining profits) is agreed or because it is calculated exclusively by reference to the borrower's financial performance.
- f) Any other financial asset that was initially classified in the fair value through the income statement portfolio when it is not possible to obtain a trustworthy estimate of the fair value.

The investments included in this category are initially valued at cost, which is equivalent to the fair value of the consideration paid plus directly attributable transaction costs, i.e. inherent transaction costs are capitalised.

In the case of investments in Group companies, if an investment were to exist before its classification as a group company, a multigroup company or an associate, the accounting value that it would have had immediately before the company being considered as such, would be considered as a cost of said investment.

The subsequent value is also at cost less, where applicable, the accumulated amount of impairment adjustments.

Contributions made as a result of a joint accounts agreement or similar are valued at cost, increased or decreased by the profit or loss, respectively, corresponding to the company as a non-managerial participant less, where applicable, the accumulated amount of any impairment loss,

This same criteria is applied in the case of equity loans with contingent interest payments, either because a fixed interest rate or a floating rate contingent on compliance with a milestone by the borrower (e.g. obtaining profits) is agreed or because it is calculated exclusively by reference to the borrower's financial performance. If, as well as a contingent interest an irrevocable fixed interest is agreed, the latter is recognised as financial revenue depending on its accrual. Transaction costs are charged, on a straight-line basis to profit and loss for the duration of the equity loan.

Derecognition of financial assets

The Company derecognises a financial asset when:

- The rights to receive cash flows from the asset have expired. Accordingly, an asset is derecognised when it has matured and the Company has received the corresponding amount.
- The Company has transferred its rights to receive cash flows from the financial asset. In this case, the financial asset is derecognised when all the risks and rewards of the asset are substantially transferred. Specifically, in sales transactions with a repurchase agreement, factoring or securitisation, the financial asset is derecognised once the Company's exposure, before and after the transfer, to the variation in the amounts and the net cash flow calendar of the asset transferred and the risks and benefits are assumed to have been transferred.

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Following the analysis of the risks and benefits, the Company derecognises the financial assets according to the following situations:

- a) The risks and benefits inherent to the ownership of an asset are substantially transferred. The transferred asset is derecognised and the Company recognises the result of the transaction: the difference between the consideration received net of the attributable transactions costs (considering any new asset obtained less any liability assumed) and the carrying value of the financial asset, plus any amount accumulated that has been directly recognised in equity.
- b) The risks and benefits inherent to the ownership of the asset have been substantially retained by the Company. The financial asset has not been derecognised and a financial liability is recognised for the same amount as the consideration received.
- c) The risks and benefits inherent to the ownership of the asset have not been substantially transferred or retained. There are two possible situations in this case:
 - Control is transferred (The transferee has the practical capability to retransfer the asset to a third party): the asset is derecognised.
 - Control is not transferred (The transferee does not have the practical capability to retransfer the asset to a third party): the Company still recognises the asset for the amount to which it is exposed to the variations of the value of the transferred asset, i.e. due to its continued implication, and has to recognise a related liability.

Interest and dividends received from financial assets

Interest and dividends of financial assets accrued following acquisition are recognised as revenue in the income statement. Interest must be recognised using the effective interest rate method and dividends when the right to receive them is declared.

If the dividends distributed unequivocally arise from results generated previous to the acquisition date because amounts exceeding the profit generated by the investee since acquisition have been distributed, they will not be recognised as revenue and will reduce the carrying value of the investment. Judgment on whether profit has been generated by the investee, will be made taking into account only the profits recognised in the individual income statement since the acquisition date, unless the distribution charged to said profit will definitely be classified as a recovery of the investment from the perspective of the entity receiving the dividend.

Impairment of financial assets

Debt instruments at amortised cost or fair value through profit or loss

At least at each reporting date, the Company assess whether there is objective evidence that a financial asset, or group of financial assets with similar risk characteristics assessed on a collective basis, is impaired as a result of one or more events that occurred after initial recognition that result in a reduction or delay in the estimated future cash flows due to debtor insolvency.

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Where such evidence exists, the impairment loss is calculated as the difference between the carrying amount of the asset and the present value of the future cash flows, including any cash flows from enforcement of collateral and personal guarantees expected to be generated by the asset discounted at the effective interest rate calculated at initial recognition. For floating-rate financial assets, the effective interest rate at the reporting date, in accordance with the contractual terms, is used. The Company uses formula-based approaches or statistical methods to determine impairment losses in a group of financial assets.

Impairment losses and reversals thereof where the amount of the impairment loss decreases due to an event occurring after recognition are recognised as expenses and income, respectively, in profit or loss. The reversal is limited to the carrying amount of the asset that would have been recognised at the reversal date had no impairment loss been recognised.

The Company uses the instrument's market value as a substitute for the present value of future cash flows, provided that this value is sufficiently reliable to be considered representative of the amount the Company could recover.

For assets at fair value through equity, where there is objective evidence that the asset is impaired, accumulated losses recognised in equity for a decrease in fair value are recognised in profit or loss.

Equity instruments at fair value through equity

With this type of investment, the Company considers the instrument to be impaired after a decline of a year and a half or forty percent of its quoted price with no recovery in value. However, it may be necessary to recognise an impairment loss before this period has elapsed or before the quoted price has dropped by that percentage.

Impairment losses are recognised as an expense in profit or loss. Where the fair value increases, the impairment recognised in prior periods shall not be reversed with a credit to the income statement; rather, the increase in fair value is recognised directly in equity.

Financial assets at cost

In this case, the impairment loss is measured as the difference between the carrying amount and the recoverable amount. The recoverable amount is the higher of the fair value less costs to sell and the present value of future cash flows from the investment, estimated as either those from dividends expected to be received from the investee and the disposal or derecognition of the investment, or from the share in the cash flows expected to be generated by the investee in the ordinary course of business and from disposal or derecognition. When estimating impairment of these types of assets, the investee's equity is taken into consideration, corrected for any unrealised gains existing at the measurement date, net of the related tax effect, unless better evidence of the recoverable amount of the investment in equity instruments is available.

Impairment, and reversals thereof, are recognised as an expense or as income, respectively, in profit or loss. The loss can only be reversed up to the limit of the carrying amount of the investment that would have been disclosed at the reversal date had the impairment loss not been recognised

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Financial liabilities

Financial liabilities at amortised cost

The Company classifies all its financial liabilities in this category except those that must be measured at fair value through profit or loss.

In general, this category includes payables from trade transactions ("Trade payables") and payable from non-trade transactions ("Other payables").

Financial liabilities classified in this category are measured initially at fair value. In the absence of evidence to the contrary, this is assumed to be the transaction price, which is equivalent to the fair value of the consideration received adjusted by directly attributable transaction costs. These are costs inherent in the transaction, which are capitalised.

Nonetheless, trade payables falling due within one year for which there is no contractual interest rate, and called-up equity holdings expected to be settled in the short term are measured at their nominal amount, provided that the effect of not discounting the cash flows is immaterial.

They are measured subsequently at amortised cost. Accrued interest is recognised in profit or loss (finance cost) using the effective interest rate method.

Nonetheless, payables falling due within one year measured at the nominal amount, in accordance with the preceding section, continue to be measured at that amount.

Contributions made as a result of joint account contracts or similar are measured at cost plus or minus the gain or loss, respectively, attributable to the non-managerial participants.

4.5. Inventories

Inventories are initially recognised 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 free of charge are recognised at fair value.

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

Also, the Company 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 Company's objective of serving society.

The Company recognises value adjustments in those cases where the realisable value is lower than the carrying amount. The net realisable value is the estimated sale price less the estimated completion costs and the costs to be incurred in marketing, sale and distribution. In order to determine any value adjustment in the case of inventories that do not generate cash flows, the recoverable amount will be the greater of net realisable value and replacement cost.

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4.6. Foreign currency transactions

The Company's functional currency is the euro. Therefore, transactions in currencies other than the euro are deemed to be "foreign currency transactions" and are recognised 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 recognised directly in the income statement in the year in which they arise.

4.7. Cash and cash equivalents

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

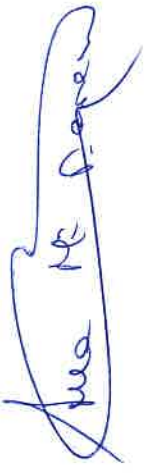
4.8.- Income tax

As a non-profit organisation, Fundación Rafa Nadal, is exempt from Income Tax on activities related to its company purpose (Title II of Law 49/2002, of December 23). Under this regime, income from donations, grants and financial returns on assets is exempt from Income Tax. However, the following are not exempt: capital gains, returns arising from economic operations that have not been classified as exempt by the tax authorities and from returns from the transfer of use of the Foundation's assets and increases in equity obtained from assets unrelated to the Company purpose. Such income is subject to tax at a rate of 10%.

4.9. Income and expenses

Expenses are recognised 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 order to recognise revenue, the Foundation follows a process consisting of the following successive stages:

- 
- a) Identify the contract (or contracts) with the client, understood to be an agreement between two or more parties creating rights and enforceable obligations.
 - b) Identify the obligation or obligations to be complied with in the contract, representing the commitments of transferring goods or rendering services to a client.
 - c) Determine the price of the transaction or consideration of the contract to which the Foundation expects to have a right in exchange for the transfer of goods or the rendering of services agreed upon with the client.
 - d) Allocate the transaction price to the obligations to be fulfilled, depending on the individual sale prices of each item or service other than those included in the contract or, where applicable, following an estimate of the sale price when it cannot be independently observed.
 - e) Recognise income from ordinary activities when the company fulfils a committed obligation through the transfer of an asset or the rendering of a service; compliance that occurs when the client obtains control of said asset or service, in such a way that the amount of the revenue from ordinary activities recognised will be the amount allocated to the satisfied contractual obligation.

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i. Recognition

The Company recognises revenue arising from a contract when control of the committed goods and services is transferred to the client (i.e. the obligation/s to be fulfilled).

For each identified obligation to be fulfilled, at the beginning of the contract, the Company determines whether the commitment assumed is fulfilled over time or at a specific moment.

Revenue arising from the commitments fulfilled over time are recognised depending on their degree of progress towards the complete fulfilment of the contractual obligations, as long as the Company has reliable information in order to measure the degree of progress.

In the case of contractual obligations that are fulfilled in a specific moment, revenue arising from their execution are recognised on said date. The costs incurred in the production or manufacturing of a product are recognised as inventories.

ii. Compliance of the obligation over time

The Company transfers the control of an asset over time when one of the following criterion is fulfilled:

- a) The customer simultaneously receives and consumes the benefits provided by the Company's performance as the entity performs.
- b) The Company creates or enhances an asset that the customer controls as the activity is undertaken.
- c) The entity develops a specific asset for the client without an alternative use and has an enforceable right to payment for performance completed to date.

Indicators of compliance of the obligation at a specific moment in time

In order to identify the specific moment when the client obtains control of the asset, the Company considers the following indicators:

- a) The client assumes the significant risks and rewards inherent to ownership of the asset.
- b) The Company transfers physical possession of the asset.
- c) The client receives the asset in accordance with the contractual specifications.
- d) The Company has a collection right for transferring the asset.
- e) The client owns the asset.

iii. Valuation

Ordinary revenue arising from the sale of goods and the rendering of services is measured at its monetary value or, where applicable, at the fair value of the offsetting entry received or to be received. The offsetting entry is the price agreed for the assets to be transferred to the client, deducting the amount of any discount, price reduction or similar, that the Company may grant, as well as the interest included in the nominal amount of the credits.

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4.10.- Provisions and contingencies

On preparing the abridged accounts, the Chairwoman differentiates between:

Provisions: credit balances covering present obligations arising from past events, the cancellation of which is probable to cause an outflow of resources, but which are indeterminate in terms of their amount and/or moment of cancellation.

Contingent liabilities: possible obligations arising from past events that will materialise depending on whether or not one or more future events, out of the Foundation's control, occur.

The abridged annual accounts 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. Unless considered remote, contingent liabilities are not recognised in the abridged annual accounts, but rather are disclosed in the abridged Notes.

Provisions are measured at the current 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 and recognising the adjustments arising due to the update of said provisions as a finance expense on an accrual basis.

Compensation to be received from a third party on settlement of the obligation is recognised 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 externalised, 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 recognised.

4.11. Termination benefits

Under current legislation, the Foundation is required to pay termination benefits to employees who, under certain circumstances, terminate their employment. Therefore, termination benefits that can be reasonably quantified are recognised as an expense in the year in which the decision to terminate the employment relationship is taken and a valid expectation is created by the affected employee or group of employees.

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 minimise environmental impact and protect and improve the environment, including the reduction or elimination of future pollution.

Due to their nature, the Foundation's activities do not have a significant impact on the environment.

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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 amortisation charge in the period related to 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 recognised directly in profit or loss in the year in which they are received.

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

These grants and donations are transferred to the abridged income statement in proportion to the amortisation of the financed asset and to the expense accrued.

4.14. Current/non-current classification

Current assets are assets associated with the normal operating cycle, which is generally considered to be one year, other assets which are expected to mature, be disposed of or be realised 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

The breakdown and movement of intangible assets in the eight-month period ended August 31, 2021 are as follows, in euros:

	Opening balance	Additions and charges	Withdrawals	Closing balance
Cost:				
Administrative concessions	315,363.03	-	-	315,363.03
Industrial property	2,918.00	236.65	-	3,154.65
Computer applications	8,089.74	-	-	8,089.74
	326,370.77	236.65	-	326,607.42
Accumulated amortisation:				
Administrative concessions	(42,196.50)	(4,204.84)	-	(46,401.34)
Industrial property	-	-	-	-
Computer applications	(6,191.43)	(1,042.14)	-	(7,233.57)
	(48,387.93)	(5,246.98)	-	(53,634.91)
Net carrying amount	277,982.84			272,972.51

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The breakdown and movement of intangible assets in the financial year 2020 are as follows, in euros:

	Opening balance	Additions and charges	Withdrawals	Closing balance
Cost:				
Administrative concessions	315,363.03	-	-	315,363.03
Industrial property	3,453.68	-	(535.68)	2,918.00
Computer applications	8,089.74	789.74	(789.74)	8,089.74
	326,906.45	789.74	(1,325.42)	326,370.77
Accumulated amortisation:				
Administrative concessions	(35,889.24)	(6,307.26)	-	(42,196.50)
Industrial property	-	-	-	-
Computer applications	(3,930.53)	(2,409.00)	148.10	(6,191.43)
	(39,819.77)	(8,716.26)	148.10	(48,387.93)
Net carrying amount	287,086.68			277,982.84

Other information

At August 31, 2021, the Foundation has fully amortised intangible assets for an amount of 5,500 euros. At December 31, 2020, the Foundation had fully amortised intangible assets for an amount of 790 euros.

5.2. Property, plant and equipment

The breakdown and movement of property, plant and equipment in the eight-month period ending August 31, 2021 are as follows, in euros:

	Opening balance	Additions and charges	Withdrawals	Transfers	Closing balance
Cost:					
Buildings	1,036,006.67	-	-	-	1,036,006.67
Technical installations	572.38	-	-	-	572.38
Other installations	187,338.45	-	-	-	187,338.45
Furniture	62,397.02	-	-	-	62,397.02
Data processing equipment	16,237.44	2,593.73	-	-	18,831.17
Vehicles	14,819.52	-	-	-	14,819.52
Other assets	599.32	-	-	-	599.32
	1,317,970.80	2,593.73	-	-	1,320,564.53
Accumulated amortisation:					
Buildings	(160,847.43)	(20,720.13)	-	-	(181,567.56)
Technical installations	(579.78)	-	-	-	(579.78)
Other installations	(90,302.97)	(8,716.50)	-	-	(99,019.47)
Furniture	(30,923.99)	(4,437.08)	-	-	(35,361.07)
Data processing equipment	(12,535.06)	(1,541.93)	-	-	(14,076.99)
Vehicles	(14,819.52)	-	-	-	(14,819.52)
Other assets	(128.00)	(28.45)	-	-	(156.45)
	(310,136.75)	(35,444.09)	-	-	(345,580.84)
Net carrying amount	1.007.834,05				974.983,69

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	Opening balance	Additions and charges	Withdrawals	Transfers	Closing balance
Cost:					
Buildings	1,036,006.67	-	-	-	1,036,006.67
Technical installations	766.76	-	(194.38)	-	572.38
Other installations	111,971.81	77,352.85	(1,986.21)	-	187,338.45
Furniture	60,014.52	2,872.82	(490.32)	-	62,397.02
Data processing equipment	14,362.50	1,874.94	-	-	16,237.44
Vehicles	14,819.52	-	-	-	14,819.52
Other assets	599.32	-	-	-	599.32
	1,238,541.10	82,100.61	(2,670.91)	-	1,317,970.80
Accumulated amortisation:					
Buildings	(161,922.43)	(38,614.00)	-	39,689.00	(160,847.43)
Technical installations	(389.78)	(190.00)	-	-	(579.78)
Other installations	(53,282.97)	(13,471.00)	-	(23,549.00)	(90,302.97)
Furniture	(16,333.99)	(4,684.00)	-	(9,906.00)	(30,923.99)
Data processing equipment	(8,986.14)	(414.94)	-	(3,133.98)	(12,535.06)
Vehicles	(14,819.52)	-	-	-	(14,819.52)
Other assets	(86.00)	-	-	(42.00)	(128.00)
	(255,820.83)	(57,373.94)	-	3,058.02	(310,136.75)
Net carrying amount	982,720.27				1,007,834.05

The main additions in 2020 related to the donation of tiles for an amount of 50,450.61 euros for the centre in Valencia. They were recognised as a greater value of assets and in Equity as grants received in the year (Note 15).

Other information

At August 31, 2021, the Foundation has totally amortised assets amounting to 156 thousand euros relating to Other installations and other assets. In 2020, the Foundation had totally amortised assets amounting to 155 thousand euros also mainly related to Other installations.

The Foundation's policy is to formalise insurance policies to cover the possible risks to which the various elements of its property, plant and equipment are subject. At August 31, 2021 and December 31, 2020, there was no coverage deficit related to these risks.

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NOTE 6. OPERATING LEASES

At closing of the eight-month period ended August 31, 2021 and the annual period ended December 31, 2020, the Foundation has the following minimum lease payments contracted with lessors, 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 updates:

	31.08.2021	31.12.2020
Up to one year	32,376.00	32,376.00
Between one and five years	89,034.00	142,994.00
More than five years	-	-
	121,410.00	175,370.00

On January 9, 2012, the Foundation leased a space in Barcelona to use as their central offices and in June 2018, said offices were transferred to another leased premises in Manacor. Moreover, the Foundation has leased an exhibition space in the "Rafa Nadal Museum Xperience".

NOTE 7. FINANCIAL ASSETS

The breakdown of financial assets at August 31, 2021 and December 31, 2020 is as follows:

	Equity instruments		Debt securities		Credits, derivatives and others		Total	
	31.08.2021	31.12.2020	31.08.2021	31.12.2020	31.08.2021	31.12.2020	31.08.2021	31.12.2020
Non-current financial assets								
Financial assets at amortised cost	-	-	843,025.91	843,025.91	17,383.65	17,383.65	860,409.56	860,409.56
	-	-	843,025.91	843,025.91	17,383.65	17,383.65	860,409.56	860,409.56
Current financial assets								
Financial assets at amortised cost	-	-	-	-	75,329.38	26,530.12	75,329.38	26,530.12
	-	-	-	-	75,329.38	26,530.12	75,329.38	26,530.12
	-	-	843,025.91	843,025.91	92,713.03	43,913.77	92,713.03	886,939.68

The non-current financial assets balance, credits, derivatives and others, relate to guarantees given.

The financial investments balance corresponds to debt securities, corresponds to bonds in the companies OBS Telefónica, Bon Teva Pharm, Petroleos Mexicanos, Ford Motor Credit Company LLC, Jaguar Land Rover, Bono Grifols, Telecom Iteliz and Netflix INC. They have been recognised at their fair value.

The balance included under Current loans and receivables mainly corresponds on to balances with Public Bodies (VAT).

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NOTE 8. CASH AND CASH EQUIVALENTS

The breakdown of cash and cash equivalents at August 31, 2021 and December 31, 2020 is the following:

	31.08.2021	31.12.2020
Cash	2,244.45	1,464.45
On demand current account	6,326,462.36	5,139,283.68
	6,328,706.81	5,140,748.13

These balances are unrestricted.

NOTE 9. FINANCIAL LIABILITIES

The breakdown of financial liabilities at August 31, 2021 and December 31, 2020 is as follows:

	Bank borrowings		Debt instruments and other marketable securities		Derivatives and others		Total	
	31.08.2021	31.12.2020	31.08.2021	31.12.2020	31.08.2021	31.12.2020	31.08.2021	31.12.2020
Non-current financial liabilities								
Financial liabilities at amortised cost or cost	80,407.32	150,901.49	-	-	-	-	80,407.32	150,901.49
	80,407.32	150,901.49	-	-	-	-	80,407.32	150,901.49
Current financial liabilities								
Financial liabilities at amortised cost or cost	105,399.34	104,039.10	-	-	124,621.76	111,346.29	230,021.10	215,385.39
	105,399.34	104,039.10	-	-	124,621.76	111,346.29	230,021.10	215,385.39
	185,806.66	254,940.59	-	-	124,621.76	111,346.29	310,428.42	366,286.88

These amounts are included under the following balance sheet items:

(Euros)	Bank borrowings		Others		Total	
	31.08.2021	31.12.2020	31.08.2021	31.12.2020	31.08.2021	31.12.2020
Non-current financial liabilities						
Borrowings	80,407.32	150,901.49	-	-	80,407.32	150,901.49
	80,407.32	150,901.49	-	-	80,407.32	150,901.49
Current financial liabilities						
Borrowings	105,399.34	104,039.10	1,972.00	1,828.13	107,371.34	105,867.23
Trade and other payables	-	-	122,649.76	109,518.16	122,649.76	109,518.16
	105,399.34	104,039.10	124,621.76	111,346.29	230,021.10	215,385.39
TOTAL	185,806.66	254,940.59	124,621.76	111,346.29	310,428.42	366,286.88

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9.1 Bank borrowings

Bank borrowings relate to a loan granted by Banco de Sabadell on May 19, 2015, for an amount of 800,000€, with final maturity on May 31, 2023 and an interest rate of 1.95 %.

The breakdown of the annual maturities of said loan at August 31, 2021 is as follows:

(Thousands of euros)	31.08.2021
Maturity until 31.08.22	105,399.34
Maturity until 31.08.23	80,407.32
	185,806.66

There are no borrowings with collateral.

The breakdown of the annual maturities of said loan at December 31, 2020 is as follows:

(Thousands of euros)	31.12.2020
2021	104,039.12
2022	106,086.12
2023	44,815.37
	254,940.61

NOTE 10. USERS AND OTHER RECEIVABLES FROM OWN ACTIVITIES

Movement under this heading during the eight-month period ended August 31, 2021, is as follows (in euros):

Users and other receivables from own activities		Opening balance	Increases	Decreases	Closing balance
Sponsors	Other origins	313,873.36	368,058.19	(626,486.11)	55,445.44
TOTALES		313,873.36			55,445.44

Movement under this heading in 2020 was as follows, in euros:

Users and other receivables from own activities		Opening balance	Increases	Decreases	Closing balance
Sponsors	Other origins	316,847.29	600,325.23	(603,299.16)	313,873.36
TOTAL		316,847.29			313,873.36

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NOTE 11. BENEFICIARIES – OTHER PAYABLES

Movement under this heading during the eight-month period ended August 31, 2021, is as follows (in euros):

Users and other payables from own activities		Opening balance	Increases	Decreases	Closing balance
Other payables	Other origins	57,700.11	732,664.33	(647,915.86)	142,448.58
TOTALES		57,700.11			142,448.58

Movement under this heading in 2020 was as follows, in euros:

Users and other payables from own activities		Opening balance	Increases	Decreases	Closing balance
Other payables	Other origins	134,655.75	241,292.37	(318,248.01)	57,700.11
TOTAL		134,655.75			57,700.11

11.1 CURRENT PREPAYMENTS AND ACCRUALS

There are no current prepayments and accruals at August 31, 2021 (137,466.74 euros at December 31, 2020). At December 31, the balance mainly related to prepayments for the contracts for the academic year 2020/2021 with Fundación Diagrama for the management of the centres in Palma and Valencia.

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At August 31, 2021, the liabilities balance of current prepayments and accruals amounts to 998,754.80 euros (300,377.69 euros at December 31, 2020). Said balance mainly corresponds to external financing obtained from *Endesa* in order to finance the project *Centro Fundación Rafa Nadal Madrid* in the forthcoming years, for an amount of 800,000. Said activity will begin subsequent to the end of the financial period and is expected in December 2021. Moreover, it relates to a balance for an amount of 166,667 euros obtained from the *National Postcode Lottery*, which donates an annual amount of 500,000 euros. Since this financial period is of eight months, unlike the previous year, at August 31, 2021, the portion corresponding to the period between September and December is recognised as current prepayments and accruals.

NOTE 12. EQUITY

Movement under the Equity heading of the abridged balance sheet in the eight-month period ended August 31, 2021 is as follows:

	Opening balance	Increases	Decreases	Final balance
Equity				
I. Founding capital/Social Fund	30,000.00			30,000.00
1. Founding capital/Social Fund	30,000.00			30,000.00
III. Surplus from prior years	6,216,229.28	537,087.73		6,753,317.01
IV. Surplus for the year	537,087.63	34,912.53	(537,087.73)	34,912.43
	6,783,316.91	(572,000.26)	(537,087.73)	6,818,229.44

Causes of increases

Positive surplus for 2021

Founding capital

Given the Foundation's social purposes and its charitable and social welfare nature, it has no share capital nor, as a result, shares or any other equity securities.

The Foundation's founding capital amounts to 30,000.00 euros and includes the monetary contribution made when the Foundation was set up.

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Movement under the Equity heading of the abridged balance sheet in 2020 is as follows:

	Opening balance	Increases	Decreases	Closing balance
Equity				
I. Founding capital/Social Fund	30,000.00			30,000.00
1. Founding capital/Social Fund	30,000.00			30,000.00
III. Surplus from prior years	5,298,964.07	917,265.21		6,216,229.28
IV. Surplus for the year	917,265.21	537,087.63	(917,265.21)	537,087.63
	6,246,229.28	1,454,352.84	(917,265.21)	6,783,316.91

NOTE 13. TAX MATTERS

The Foundation is included among the entities regulated by Title II of Law 49/2002 of December 23 on the tax regime of non-profit organisations and tax incentives to sponsorship. The Foundation notified the tax authorities that it was electing the option provided for in Royal Decree Law 1270/2003 of October 10, for the application of the special tax regime regulated under Title II of Law 49/2002 as it met all the requirements established in Article 3 of that Law.

According to Law 49/2002 on the tax regime of non-profit organisations and tax incentives to sponsorship, for the purpose of this law, non-profit organisations are exempt from Income Tax on their activities. This exemption encompasses all income obtained by non-profit organisations, as mentioned in articles 6 and 7 of chapter 2 of said Law. The Foundation is exempt from income tax on surpluses in its results and increases in equity arising from the activities constituting the entity's foundational objective or specific purpose. The tax rate applicable to income, subject to but not exempt from Income Tax, obtained from entities included in Chapter II of said Law, is 10%.

Reconciliation between accounting result and tax base

Concept	Euros			
	31.8.2021		31.12.2020	
	Increases	Total	Increases	Total
Accounting result after Excess Profits Tax	34,912.53	34,912.53	537,087.73	537,087.73
Tax revenue and expenses	218,600.80	218,600.80	111,557.24	111,557.24
Income exempt under Law 49/2002	153,855.71	153,855.71	(437,072.97)	(437,072.97)
Adjustments to the tax base				
Permanent	75.00	75.00	394.33	394.33
Temporary	(76,774.00)	(76,774.00)	76,774.00	76,774.00
Tax base	141,901.80	141,901.80	188,725.57	188,725.57
Total tax liability (10%)	14,190.18	14,190.18	18,872.56	18,872.56
Double taxation deductions	(11,333.32)	(11,333.32)	(12,390.91)	(12,390.91)
Prepayments	(2,791.60)	(2,791.60)	(6,166.04)	(6,166.04)
Current tax liabilities	65.26	65.26	315.61	315.61

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The Income tax expense/(income) is disclosed as follows:

	2021	2020
Current tax expense	14,190.18	11,195.00
Deferred tax expense	7,677.40	(7,677.00)
	21,867.58	11,195.16

At August 31, 2021, the Foundation, which is subject to Law 49/2002, did not have any taxes recognised directly in equity, tax losses, deductions pending application or unrecognised deferred tax assets.

Application of assets for the purposes of the Foundation

The Foundation is subject to the abovementioned Law 49/2002. In accordance with this law, the term to use surpluses for the Foundation's objectives starts from the moment they are generated until the end of the subsequent four financial years. Non-compliance would prevent the application of the tax exemption on the surpluses arising from the Foundation's activities. To determine compliance of the Foundation's objectives, with regard to the "Total Revenue of the Foundation", the Foundation's total revenue is recognised with no compensation, whereas, with regard to the "Equity Expenses and economic activity", additions related to the Foundation's objectives must be included and the amortisations of the abovementioned assets must be excluded. At August 31, 2021, the Foundation complies with the reinvestment of surpluses for the Foundation's objectives. The table of results and surpluses pending application, together with the time limit for doing so are included in the appendix in the following order: revenue calculation basis on page 53, resources applied during the year on page 59, disclosure of administration expenses (not included in the resources applied in the year) on page 61 and, finally, a summary table showing the destination and application of the revenue and income at the end of the financial years between 2014 and 2021 on page 62.

Years open for review and tax inspections

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 is open for review for all the taxes applicable to it for all those years that are not yet statute-barred. The Foundation's Chairwoman considers 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 accounts.

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NOTE 14. REVENUE AND EXPENSES

14.1 Monetary aid

Movement under this heading for the eight-month period ended August 31, 2021, is as follows, in euros:

Monetary aid	Activity 1 and 7	Activity 2	Activity 3	Activity 4	No specific activity	Total
Monetary aid	366,925.84	91,822.57	19,921.00	35,960.00	-	514,629.41
TOTAL						

Movement under this heading for 2020 was as follows, in euros:

Monetary aid	Activity 1 and 7	Activity 2	Activity 3	Activity 4	Activity 5	No specific activity	Total
Monetary aid	439,915.34	104,427.64	5,206.00	54,039.75	-	3,151.15	606,739.88
TOTAL							

The amount recognised in Activity 1, relates to Centros Fundación Rafa Nadal in Palma and Valencia. Activity 2 relates to the Study & Play scholarships. Activity 3 includes monetary aid for the projects Nadal Educational Tennis School (NETS)/Anantapur. Activity 4 relates to the "Más que Tenis" project.

The breakdown of these expenses in the eight-month period ended August 31, 2021 and the year ended December 31, 2020, is as follows, in euros:

	31.08.2021	31.12.2020
<i>Charitable expenses:</i>		
Centro Fundación Rafa Nadal	366,925.84	439,915.34
NETS Project	19,921.00	5,206.00
Más que Tenis Project	35,960.00	54,039.75
Study & Play Scholarships	91,822.57	104,427.64
Donations to various entities	-	3,151.15
Total monetary aid	514,629.41	606,739.88

The "Aid and other expenses" heading of the accompanying abridged income statement mainly includes the following projects:

- Centros Fundación Rafa Nadal: comprehensive programme aimed at children and young people, aged between 5 and 17 years old, in situations of poverty and at risk of social exclusion, who present difficulties integrating into society. The aim of this programme is to complement the school education of the children involved through sport, education and psychological care.
- Nadal Educational Tennis School (NETS): project related to the cooperation agreement with Fundación Vicente Ferrer, involving joint work between the school and the tennis training centre located in Anantapur (India), promoting tennis as a sport, teaching computer skills and English, and providing educational support and food and healthcare. The beneficiaries are aged between 7 and 19 years old.

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- Más que Tenis: in cooperation with Special Olympics España, promotes tennis among young people with intellectual disabilities in Spain with a view to integrating them, as equals, into society, helping them to socialise and improving their self-esteem.
- Study & Play: a programme offering young people the opportunity to take part in sports regularly and with full dedication, combining training sessions and competitions with their studies and helping them to go on to attend American universities through sports scholarships.

14.2 Supplies

The breakdown of the "Provisions" heading of the abridged income statement for the eight-month period ended August 31, 2021 and the year ended December 31, 2020, is as follows, in euros:

	31.08.2021	31.12.2020
Purchases	4,431.72	28,696.69
Work performed by other companies	164,184.80	230,780.47
	168,616.52	259,477.16

14.3 Personnel expenses

The "Personnel expenses" heading of the accompanying abridged income statement for the eight-month period ended August 31, 2021 and the year ended December 31, 2020, is as follows, in euros:

	31.8.2021	31.12.2020
Wages, salaries and similar expenses		
Wages and salaries	245,081.77	283,699.36
Indemnities	-	-
	245,081.77	283,699.36
Welfare expenses		
Social Security	39,185.75	54,075.22
Other welfare expenses	954.56	1,401.12
	40,140.31	55,476.34
	285,222.08	339,175.70

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14.4 Other expenses from activities

The "External services" heading of the accompanying abridged income statement for the eight-month period ended August 31, 2021 and the year ended December 31, 2020, is as follows, in euros:

	31.08.2021	31.12.2020
Leases and royalties	40,355.91	58,186.76
Repairs and maintenance	-	414.56
Independent professional services	27,800.15	49,093.33
Vehicles	249.51	647.45
Insurance premiums	4,293.16	8,026.90
Bank services	998.96	496.00
Advertising	500.00	-
Supplies	396.12	57.29
Other services	148,198.72	52,680.55
Other taxes	15.65	-
TOTAL	222,808.18	169,602.84

14.5 Income and expenses arising from the Foundation's normal activities

a.- Income from own activities

The breakdown of the Foundation's revenue arising from own activities in the eight-month period ended August 31, 2021 and the year ended December 31, 2020 is as follows, in euros:

Activities	a) Membership dues	b) Users' contributions	c) Income from promotions, sponsors and collaborations	d) Grants, donations and legacies from the Foundation's own activity	Source
Activity 1		-	20,000.00	-	
Activity 2		-	30,000.00	-	
Activity 4		-	351,021.98	-	Private
Activity 5	46,388.32	-		-	Private
Activity 6		-		-	Private
Income assignable to any activity		-		577,828.87	Private
TOTAL	46,388.32	-	401,021.98	577,828.87	

The amounts related to each activity refer to revenue obtained specifically for the contribution to the project's foundational purpose. Income that can be allocated to any activity relates to revenue that is intended for any project undertaken by the Foundation.

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The breakdown of the Foundation's revenue arising from normal activities in the year ending December 31, 2020 is as follows, in euros:

Activities	a) Membership dues	b) Users' contributions	c) Income from promotions, sponsors and collaborations	d) Grants, donations and legacies from the Foundation's own activity	Source
Activity 1	-	-	25.000,00	-	Private
Activity 4	-	-	54.040,00	-	Private
Activity 5	43.913,64	-	310.000,00	-	Private
Activity 6	-	-	25.000,00	-	Private
Income assignable to any activity	-	-	-	1.450.324,31	Private
TOTAL	43.913,64	-	414.040,00	1.450.324,31	

b. Income from commercial activity

In the eight-month period ended August 31, 2021, revenue from Rafa Nadal Museum Xperience amounted to 11,929.55 in comparison with 23,163.13€ in the period ending December 31, 2020. Moreover, in 2021, there has been revenue amounting to 21,723.62€ relating to merchandising sales in the Manacor shop and/or the "Rafa Nadal Academy by Movistar" online shop (44,095.12€ in 2020).

c. Other income from activities

"Other income from activities" mainly relates to the sale of the Rafa Nadal Tour license in Australia. Revenue for this concept has been recognised during the eight-month period ended August 31, 2021, for an amount of 138,889.00€ (no revenue was recognised for this concept in 2020, due to the suspension of the tournaments because of the COVID-19 pandemic in 2020).

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NOTE 15. GRANTS, DONATIONS AND LEGACIES RECEIVED

Information on grants received by the Foundation, which form part of equity, together with the related surpluses carried to the income statement, is as follows:

The breakdown at August 31, 2021, is as follows, in euros:

Account	Granting entity (specify private or public and, in case of the latter, granting body and administration)	Purpose and/or item acquired with the grant or donation	Year granted	Application period	Amount granted	Recognised in previous years	Recognised in current year	Recognised in profit or loss
725	Palma de Mallorca City Council	Land in Palma de Mallorca	2014	50 years	315,363.03	42,048.40	4,205.00	46,253.40
725	Private company	Assets for centre in Valencia	2020	10 years	52,352.85	5,235.22	3,760.00	8,995.22
TOTALES					367,715.88	47,283.62	7,965.00	55,248.62

MOVEMENTS OF BALANCE SHEET ITEMS

Grants, donations and legacies	Opening balance	Increases	Decreases	Closing balance
132. Other grants, donations and legacies	320,432.29	-	7,965.00	312,467.29
TOTALES	320,432.29		7,965.00	312,467.29

The breakdown at December 31, 2020, was as follows, in euros:

Account	Granting entity (specify private or public and, in case of the latter, granting body and administration)	Purpose and/or item acquired with the grant or donation	Year granted	Application period	Amount granted	Recognised in previous years	Recognised in current year	Recognised in profit or loss
725	Palma de Mallorca City Council	Land in Palma de Mallorca	2014	50 years	315,363.03	35,741.14	6,307.26	42,048.40
725	Private company	Assets for centre in Valencia	2020	10 years	52,352.85	-	5,235.22	5,235.22
TOTAL					367,715.88	35,741.14	11,542.48	47,283.62

MOVEMENTS OF BALANCE SHEET ITEMS

Grants, donations and legacies	Opening balance	Increases	Decreases	Closing balance
132. Other grants, donations and legacies	279,621.92	52,353.85	11,542.48	320,432.29
TOTAL	279,621.92	52,353.85	11,542.48	320,432.29

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Other disclosures:

In 2021 and 2020, the grants are completely related to the Administrative Concession of land for 50 years granted by the Palma de Mallorca City Council and valued by an independent expert at 315,363.03€ and to the donation of property, plant and equipment by the private sector in order to fit out the centre in Valencia, in order to undertake activity 8.

At August 31, 2021 and December 31, 2020, the Foundation met all the necessary requirements for the above mentioned grants and donations to be considered as non-refundable.

The increase in grants in 2020, related to the donation of property, plant and equipment by the private sector in order to fit out the centre in Valencia, in order to undertake activity 8.



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NOTE 16. FOUNDATION'S ACTIVITY, ALLOCATION OF RESOURCES FOR OWN PURPOSES.
ADMINISTRATION EXPENSES

16.1. Foundation's activities

ACTIVITY 1

A. Identification

Name of activity	Social reintegration centre
Type of activity	Own
Identification of activity by sector	Educational and sports
Location of the activity	Spain

B. Detailed description of the activity performed

Integral education and sports project called Centro Fundación Rafa Nadal, in Palma de Mallorca, aimed at children and young people who live in poverty or are at risk of social exclusion and present difficulties integrating into society.

C. Human resources

Type	Number		N° hours/year	
	Planned	Performed	Planned	Performed
Salaried employees	4	4	729.60	729.60

D. Beneficiaries or users of the activity

Type	Number	
	Planned	Performed
Natural person	265	277
Legal person	-	-

ACTIVITY 2

A. Identification

Name of activity	Scholarship programme
Type of activity	Own
Identification of activity by sector	Educational and sports
Location of the activity	Spain

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B. Detailed description of the activity performed

Study & Play programme that offers young people that regularly participate in and are fully dedicated to a sport, the possibility to access scholarships given by universities in the United States in order to continue competing while studying a university degree.

C. Human resources

Type	Number		N° hours/year	
	Planned	Performed	Planned	Performed
Salaried employees	4	2	537.60	448.00

D. Beneficiaries or users of the activity

Type	Number	
	Planned	Performed
Natural person	25	21

ACTIVITY 3

A. Identification

Name of activity	Cooperation agreements
Type of activity	Own
Identification of activity by sector	Children and young people
Location of the activity	India

B. Detailed description of the activity performed

Nadal Educational Tennis School, a project related to the cooperation agreement with Fundación Vicente Ferrer, involving joint work between a school and a tennis training centre where tennis is promoted as a way of integrating socially integrating children and young people in one of India's most impoverished areas.

C. Human resources

Type	Number		N° hours/year	
	Planned	Performed	Planned	Performed
Salaried employees	4	4	665.60	665.60

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D. Beneficiaries or users of the activity

Tipo	Number	
	Planned	Performed
Natural person	255	78
Legal person	-	-

ACTIVITY 4

A. Identification

Name of activity	Cooperation agreements
Type of activity	Own
Identification of activity by sector	Children and young people
Location of the activity	Spain

B. Detailed description of the activity performed

Más que Tenis in cooperation with Special Olympics España, promotes tennis among young people with intellectual disabilities with a view to improving the participant's physical, intellectual and social capabilities.

C. Human resources

Type	Number		N° hours/year	
	Planned	Performed	Planned	Performed
Salaried employees	4	4	409.60	409.60

D. Beneficiaries or users of the activity

Type	Number	
	Planned	Performed
Natural person	150	177
Legal person	-	-

FUNDACIÓN RAFA NADAL
ABRIDGED NOTES TO THE ACCOUNTS FOR THE EIGHT-MONTH PERIOD
ENDED AUGUST 31, 2021

ACTIVITY 5

A. Identification

Name of activity	Rafa Nadal Tour
Type of activity	Own
Identification of activity by sector	Educational and sports
Location of the activity	Spain

B. Detailed description of the activity performed

Rafa Nadal Tour by Santander (Rafa Nadal Tour by MAPFRE in 2020): Junior tennis circuit for children in the sub-12 and sub-14 categories, who are regularly registered and licensed by the Royal Spanish Tennis Federation (Real Federación Española de Tenis). Proceeds from this activity are used for various projects undertaken by Fundación Rafa Nadal.

C. Human resources

Type	Number		N° hours/year	
	Planned	Performed	Planned	Performed
Salaried employees	3	3	654.22	654.22
Personnel under service contract	2	2	630.67	630.67
Volunteers	-	-	-	-

D. Beneficiaries or users of the activity

Type	Number	
	Planned	Performed
Natural person	1,400	1,900

FUNDACIÓN RAFA NADAL
ABRIDGED NOTES TO THE ACCOUNTS FOR THE EIGHT-MONTH PERIOD
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ACTIVITY 6

A. Identification

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

B. Detailed description of the activity performed

This activity corresponds to both the economic portion of the profit arising from the entrances sold for the "Rafa Nadal Museum Xperience" and the sales of charity products sold in both the museum shop and in the on-line shop, "Rafa Nadal Academy by Movistar". The products, mainly made by the Foundation, are available to all those who visit the abovementioned facilities, located in Manacor, as well as on the internet.

ACTIVITY 7:

A. Identification

Name of activity	Social reintegration centre
Type of activity	Own
Identification of activity by sector	Educational, sports and psychosocial
Location of the activity	Spain

B. Detailed description of the activity performed

Integral education and sports project called Centro Fundación Rafa Nadal, located in Valencia and aimed at children and young people who live in poverty or in a situation of poverty or risk of social exclusion and who present difficulties for their integration into society.

C. Human resources

Type	Number		N° hours/year (only 2 months)	
	Planned	Performed	Planned	Performed
Salaried employees	4	4	665.60	665.60

D. Beneficiaries or users of the activity

Type	Number	
	Planned	Performed
Natural person	50	72
Legal person	-	-

FUNDACIÓN RAFA NADAL
ABRIDGED NOTES TO THE ACCOUNTS FOR THE EIGHT-MONTH PERIOD
ENDED AUGUST 31, 2021

16.2.- Total economic resources used by the Foundation

The total economic resources used by the Foundation in August 31, 2021 have been the following:

EXPENSES/INVESTMENTS	Planned	Performed	Activity 1	Activity 2	Activity 3	Activity 4	Activity 5 (*)	Activity 6	Activity 7	No specific activity
Aid and other expenses	-	-	-	-	-	-	-	-	-	-
a) Monetary aid	661,333.33	514,629.41	250,653.15	91,822.57	19,921.00	35,960.00	-	-	116,272.69	-
Purchases	-	4,431.72	-	-	-	-	-	4,431.72	-	-
Supplies	18,865.33	164,184.80	-	-	-	-	163,584.80	-	-	600.00
Personnel expenses	202,266.67	285,222.08	85,566.62	28,522.21	42,783.31	28,522.21	42,783.31	14,261.10	42,783.31	-
Other expenses related to the activity	126,280.00	222,808.18	66,842.45	22,280.82	33,421.23	22,280.82	33,421.23	11,140.41	33,421.23	-
Depreciation and amortisation charge	40,666.67	40,691.07	-	-	-	-	-	-	-	40,691.07
Finance costs	-	2,921.99	-	-	-	-	-	-	-	2,921.99
Income tax	-	21,867.58	-	-	-	-	-	-	-	21,867.58
Subtotal expenses	1,049,412.00	1,207,177.69	403,062.23	142,625.60	96,125.54	86,763.03	239,789.34	29,833.23	192,477.23	66,080.64
Acquisitions of assets (excluding historical heritage assets)	-	2,830.38	-	-	-	-	-	-	-	2,830.38
Subtotal investments	-	2,830.38	-	-	-	-	-	-	-	2,830.38
TOTAL RESOURCES USED	1,049,412.00	1,210,008.07	403,062.23	142,625.60	96,125.54	86,763.03	239,789.34	29,833.23	192,477.23	68,911.02

(*) Activity 5 in 2021 relates to activity 6 in 2020, since activity 5 in the previous year's annual accounts was no longer undertaken in 2020, meaning that it is not included in the abbreviated accounts for the eight-month period ending August 31, 2021.

FUNDACIÓN RAFA NADAL
ABRIDGED NOTES TO THE ACCOUNTS FOR THE EIGHT-MONTH PERIOD
ENDED AUGUST 31, 2021

The total economic resources used by the Foundation at December 31, 2020 have been as follows:

EXPENSES/INVESTMENTS	Planned	Performed	Activity 1	Activity 2	Activity 3	Activity 4	Activity 5	Activity 6	Activity 7	Activity 8	No specific activity
Aid and other expenses											
a) Monetary aid	845,000.00	606,739.62	304,292.95	104,427.64	5,206.00	54,039.74	-	-	-	135,622.39	3,150.90
Purchases	-	28,696.69	-	-	-	-	-	-	28,696.69	-	-
Supplies	10,000.00	230,780.47	-	-	-	604.02	-	151,933.39	-	-	78,243.06
Personnel expenses	370,000.00	339,175.70	101,752.71	33,917.57	50,876.36	33,917.57	-	50,876.36	16,958.79	50,876.36	-
Other expenses related to the activity	231,000.00	169,602.84	50,880.85	16,960.28	25,440.43	16,960.28	-	25,440.43	8,480.14	25,440.43	-
Depreciation and amortisation charge	61,000.02	66,090.67	-	-	-	-	-	-	-	-	66,090.67
Finance costs	-	6,052.26	-	-	-	-	-	-	-	-	6,052.26
Income tax	-	11,195.14	-	-	-	-	-	-	-	-	11,195.14
Subtotal expenses	1,517,000.02	1,458,333.39	456,926.51	155,305.49	81,522.78	105,521.61	-	228,250.17	54,135.62	211,939.17	164,732.03
Acquisitions of assets (excluding historical heritage assets)	-	82,890	-	-	-	-	-	-	-	-	82,890
Subtotal investments	-	82,890	-	-	-	-	-	-	-	-	82,890
TOTAL RESOURCES USED	1,517,000.02	1,541,223.74	456,926.51	155,305.49	81,522.78	105,521.61	-	228,250.17	54,135.62	211,939.17	247,622.38

FUNDACIÓN RAFA NADAL
ABRIDGED NOTES TO THE ACCOUNTS FOR THE EIGHT-MONTH PERIOD
ENDED AUGUST 31, 2021

16.3.- Total economic resources obtained by the Foundation

Income obtained by the Foundation

INCOME	Foreseen 31.08.2021	Performed 31.08.2021	Foreseen 31.12.2020	Performed 31.12.2020
Sales and services rendered – own activities	129,333.33	-	194,000.00	-
Ordinary income from trading activities	33,333.33	33,652.17	50,000.00	67,258.25
Private contributions	1,032,666.67	1,025,239.17	965,000.00	1,908,277.95
Other types of income	-	215,720.02	-	25,668.30
Finance income	-	19,811.20	-	19,102.00
TOTAL INCOME OBTAINED	1,152,222.22	1,294,422.56	1,209,000.00	2,020,306.50

Other economic resources obtained by the Foundation

In 2015, the Foundation was granted a loan by Banco de Sabadell, for an amount of 800,000€, to finance the construction of the social centre in Palma de Mallorca. The loan matures on May 31, 2023.

Cooperation agreements with other entities

Description	Expenses 31.08.2021	Expenses 31.12.2020
Agreement 1. With Fundación Vicente Ferrer	19,921.00	5,206.00
Agreement 2. With Special Olympics España	35,960.00	54,040.74
Agreement 3. With Fundación Diagrama	366,925.84	439,915.34
Agreement 4. ICON	91,822.57	104,427.64

Differences between action plan and information

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

The Foundation's financing basically comes from promotions, sponsors and cooperation agreements and grants received in relation to its own activities. In years in which income exceeds expenses, the difference is allocated to surplus in order to cover those years in which there are more expenses than income.

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

FUNDACIÓN RAFA NADAL
ABRIDGED NOTES TO THE ACCOUNTS FOR THE EIGHT-MONTH PERIOD
ENDED AUGUST 31, 2021

16.4. Application of assets for own purposes

Assets and rights that constitute the allowance and assets and rights permanently related to the founding purposes.

All the income obtained by the Foundation is used or will be used in the Foundation's own activities.

16.5. Administration expenses

The breakdown is as follows:

Alternative limits to administration expenses (Art. 33 Regulation R.D.1337/2005)	31.8.2021	31.12.2020
5% of equity	340,991.47	339,165.85
Summary of administration expenses		
Expenses reimbursable to trustees	-	-
Expenses incurred directly in asset management	27,800.15	49,093.33
Does not exceed (-) the applicable maximum limit		

Administration expenses recognised in the eight-month period ended August 31, 2021 and the year ended December 31, 2020, are as follows:

Breakdown of administration expenses					
Concept	Account name	Income statement item	Breakdown of expense	Basis of allocation to asset management	
Independ. Prof. Serv.	Independ. Prof. Serv.	623	Consultancy expenses	100	27,800.15
TOTAL 31.8.2021					27,800.15

Breakdown of administration expenses					
Concept	Account name	Income statement item	Breakdown of expense	Basis of allocation to asset management	
Independ. Prof. Serv.	Independ. Prof. Serv.	623	Consultancy expenses	100	49,093.33
TOTAL 31.12.2020					49,093.33

FUNDACIÓN RAFA NADAL
ABRIDGED NOTES TO THE ACCOUNTS FOR THE EIGHT-MONTH PERIOD
ENDED AUGUST 31, 2021

Administration expenses are considered to be those that are directly incurred during the administration of the assets and rights that make up the Foundation's equity. The maximum proportion of said expenses will be determined legally:

Alternative limits (Art. 33 Royal Decree 1337/2005)

20% of the basis of the calculation of 27 Law 50/2004 and Art. 32.1 Royal decree 1337/05 (2)

Year	5% of equity (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)
31.8.2021	340,991.47	1,294,422.56	258,884.51	27,800.15	-	27,800.15	Does not exceed
31.12.2020	339,165.85	2,020,306.50	404,061.30	49,093.33	-	49,093.33	Does not exceed

NOTE 17. SENIOR EXECUTIVES AND TRUSTEES

During the eight-month period ended August 31, 2021 and the year ended December 31, 2020, the trustees received no payments for any concept. Neither have they received refunds for any expenses incurred while performing their work.

The Foundation has not granted any loans or advances to members of the Board of Trustees and has not contracted any obligations regarding pensions, retirement premiums, special indemnities or life insurance policies on their behalf.

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

NOTE 18. OTHER INFORMATION

18.1 Changes in governing, management and representation body

The breakdown at the end of the financial period is as follows:

31.8.2021

Members	Position
Rafael Nadal	Founding trustee and board member
Sebastian Nadal	Trustee
Juan Jose Almagro	Trustee
Francisco de Bergia	Trustee
Ricardo de Diego	Trustee
Ana Maria Parera	Chairwoman
M ^a Francisca Perelló	Non-trustee secretary

FUNDACIÓN RAFA NADAL
ABRIDGED NOTES TO THE ACCOUNTS FOR THE EIGHT-MONTH PERIOD
ENDED AUGUST 31, 2021

31.12.2020

Members	Position
Rafael Nadal	Founding trustee and board member
Sebastian Nadal	Trustee
Juan Jose Almagro	Trustee
Francisco de Bergia	Trustee
Ricardo de Diego	Trustee
Ana Maria Parera	Chairwoman
M ^a Francisca Perelló	Non-trustee secretary

18.2 Employees

The breakdown of the Foundation's employees is the following:

	Number of employees at end of period			Average number of employees in the period
	Male	Female	Total	
31.08.2021				
Management and administration	1	5	6	4
31.12.2020				
Management and administration	1	3	4	4
	1	3	4	4

In 2021 and 2020, the Foundation has had no employees with a disability equal to or more than 33%.

18.3 Audit fees

During the eight-month period ended August 31, 2021, fees relating to the audit services provided by the Foundation's auditor, EY, have been the following:

	31.08.2021	31.12.2020
Audit services	8,050.00	8,010.00
Other services	965.00	960.00
	9,015.00	8,970.00

18.4 Off-balance sheet agreements

At August 31, 2021, the Foundation has no significant agreement that does not appear on the accompanying abridged balance sheet.

FUNDACIÓN RAFA NADAL
ABRIDGED NOTES TO THE ACCOUNTS FOR THE EIGHT-MONTH PERIOD
ENDED AUGUST 31, 2021

18.5 Self-contracting

The Foundation has performed self-contracting in the eight-month period ended August 31, 2021, for a maximum amount of 3,500 euros on an annual basis for a three-year period (in total, 10,500 euros). In all cases, they have received previous authorisation from both the Foundation's Board of Trustees and the Foundations' Protectorate, which is the controlling body of foundations in Spain.

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 third additional provision "Duty of Information" of Law 15/2010, dated July 5, that modifies Law 3/2004, dated November 29, establishing measures to combat late payment in trade transactions, the information is as follows:

	31.08.2020	31.12.2020
(Days)		
Average payment period to suppliers	30	30

NOTE 20. POST-BALANCE SHEET EVENTS

No significant post-balance sheet events have occurred that could have a material effect on the current accounts for the eight-month period ended August 31, 2021.

NOTE 21. EXPLANATION ADDED FOR TRANSLATION TO ENGLISH

These annual accounts are presented on the basis of accounting principles generally accepted in Spain. Certain accounting practices applied by the Company that conform with generally accepted accounting principles in Spain may not conform with generally accepted accounting principles in other countries.

APPENDICES: ABRIDGED NOTES TO THE ACCOUNTS
APPLICATION MODELS SHOWING USE OF INCOME AND REVENUE
(ART. 27 LAW 50/2002 AND 32 R.D. 1337/2005)

I CALCULATION OF BASIS OF APPLICATION AND MINIMUM RESOURCES TO ALLOCATE FROM THE FINANCIAL PERIOD 01/01/2021-31/8/2021

RESOURCES	IMPORTE
Surplus for the year	34,912.53
1.1. Positive adjustments of accounting result (breakdown on sheet 1.1)	
1.1. A) Amount allocated to the amortisation of assets related to the activities for the fulfilment of objectives	40,691.07
1.1. B) Common and specific expenses deriving from all the activities undertaken to fulfil objectives, 1.1.C) Changes in accounting criteria and correction of errors	1,188,265.61
TOTAL NON-DEDUCTIBLE EXPENSES	1,228,956.68
1.2. Negative adjustments of the accounting result (breakdown on sheet 1.2)	-
Non-computable income	-
CALCULATION BASIS	1,263,869.21
INCOME TO BE ALLOCATED	
Amount	884,708.45
% Minimum resources to be allocated in order to fulfil objectives according to the agreement with the Trust	70%

APPLICATION MODELS SHOWING USE OF INCOME AND REVENUE
(ART. 27 LAW 50/2002 AND 32 R.D. 1337/2005)

1.1. POSITIVE ADJUSTMENTS OF ACCOUNTING RESULT

1.1. A) Amount allocated to the amortisation of assets related to the activities for the fulfilment of objectives (Art.32.4.a) Regulation R.D.1337/2005)				
Account number	Income statement item	Equity item related to the activity to fulfil objectives	Amortisation charge of equity for the year	Total amortised amount of equity item
680	10	Amortisation of intangible assets	5,246.98	53,634.91
681	10	Amortisation of property, plant & equipment	35,444.09	345,580.84
TOTAL 1.1. A) Amortisation charge			40,691.07	399,215.75




1.1. B) Common and specific expenses deriving from all the activities undertaken to fulfil objectives (excluding amortisations and impairment)				
Account number	Income statement item	Expense description	Percentage of charge to own activity in order to fulfil objectives	Amount
600	5	Purchases	100	4,431.72
607	5	Supplies	100	164,184.80
621/629	6	External services	100	194,992.38
631	6	Taxes	100	15.65
640/649	7	Personnel expenses	100	285,222.08
650	3	Aid to entities	100	514,629.41
662	12	Finance expenses	100	2,921.99
668		Exchange differences	100	-
630	14	Income Tax	100	21,867.58
TOTAL 1.1. B) Common and specific expenses				1,188,265.61




Positive result directly recognised in equity as a result of changes in accounting criteria and the correction of errors		
Account name	Income statement item	Amount
	Description of changes in accounting criteria or corrected error	
TOTAL 1.1. C) Changes in accounting criteria and correction of errors		
TOTAL 1.1. POSITIVE ADJUSTMENTS IN ACCOUNTING RESULT		
(Amount of cell B10 "Total non-deductible expenses" in Table I "Calculation basis and minimum resources")		1,228,956.68

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APPLICATION MODELS SHOWING USE OF INCOME AND REVENUE
(ART. 27 LAW 50/2002 AND 32 R.D. 1337/2005)

1.2. NEGATIVE ADJUSTMENTS OF ACCOUNTING RESULT

1.2. A) Income obtained from the sale or encumbrance of assets and rights contributed as founding capital		
Account name	Income statement item	Amount
	Sold or encumbered item	

SUBTOTAL

1.2. B) Income obtained from onerous transfer of properties in which the company undertakes its activities, provided that the amount obtained in the transfer is reinvested in properties intended for the same purpose

Account name	Income statement item	Property transferred	Amount
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SUBTOTAL

1.2. C) Losses directly recognised in equity as a result of changes in accounting criteria or correction of errors		
Account name	Income statement	Amount
	Description of the change in accounting criteria or of the corrected error	

SUBTOTAL

TOTAL 1.2. LOSSES IN ACCOUNTING RESULT
(Amount of cell B12 "Non-computable income" in Table I "Calculation basis and minimum resources")

APPLICATION MODELS SHOWING USE OF INCOME AND REVENUE
(ART. 27 LAW 50/2002 AND 32 R.D. 1337/2005)

2. RESOURCES USED IN THE EIGHT-MONTH PERIOD ENDED AUGUST 31, 2021

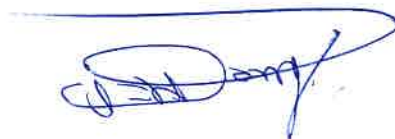
1. Expenses deriving from compliance of objectives	AMOUNT	TOTAL
Expenses deriving from activities	1,188,266	1,188,266
2. Investments made in the activity during the year (breakdown on sheet 2.b)	Equity	Debt
2.1. Made in the year	2,830.38	2,830.38
2.2 Arising in previous years		
a) Debts from previous years cancelled in the current year		
b) Allocation of grants, donations and legacies from previous years		
	TOTAL (1+2)	1,191,095.99




APPLICATION MODELS SHOWING USE OF INCOME AND REVENUE
(ART. 27 LAW 50/2002 AND 32 R.D. 1337/2005)

2. A) INVESTMENTS MADE IN THE ACTIVITY TO FULFIL OBJECTIVES

Account number	Balance sheet item	Investment details	Acquisition		Financing method				
			Date	Acquisition value	Own resources	Grants, donations or legacies	Loans	Amount in the year (N)	Amount pending
20300	I	Industrial property	Jan-21	236.65 €	236.65 €	-	-	-	-
21705	II	Computer hardware	Feb-21	1,441.42 €	1,441.42 €	-	-	-	-
21705	II	Computer hardware	May-21	1,152.31 €	1,152.31 €	-	-	-	-
TOTALES				2,830.38 €	2,830.38 €	- €	- €	- €	- €




APPLICATION MODELS SHOWING USE OF INCOME AND REVENUE
(ART. 27 LAW 50/2002 AND 32 R.D. 1337/2005)

3. ADMINISTRATION EXPENSES (art. 27.3 Law 50/2002 and art. 33 of Regulation)

3.1 A) BREAKDOWN OF ADMINISTRATION EXPENSES

Account number	Income statement item	Description of expense	Allocation criteria for assets management	Amount
623	8	Expenses services independent professionals	100	27,800.15
TOTAL ADMINISTRATION EXPENSES				27,800.15

3.1 B) LIMIT OF AMOUNT OF ADMINISTRATION EXPENSES

Year	Alternative limits (art 33 R.D. 1337/2005)		Expenses directly incurred to manage the assets (3)	Expenses refundable to trustees (4)	TOTAL ADMINISTRATION EXPENSES FOR THE YEAR (5)=(3)+(4)	Exceeds or doesn't exceed the maximum limit (the greater of 1 and 2) -5
	5% equity (1)	20% of the application basis (2)				
31.08.2021	340,911.47 €	258,884.51 €	27,800.15 €	- €	27,800.15 €	DOES NOT EXCEED





APPLICATION MODELS SHOWING USE OF INCOME AND REVENUE
(ART. 27 LAW 50/2002 AND 32 R.D. 1337/2005) (*)
USE AND APPLICATION OF REVENUE AND INCOME

Year	SURPLUS FOR THE YEAR	NEGATIVE ADJUSTMENTS	POSITIVE ADJUSTMENTS	CALCULATION BASE	REVENUE TO ALLOCATE		RESOURCES FOR OBJECTIVES	2014	2015	2016	2017	2018	2019	2020	2021	PENDING AMOUNT
					Amount	%										
2014	202 085 32	-	49 406 29	155 572 09	108 900 48	0 7	1 405 914 61	1 405 914 61								
2015	1 064 037 18	-	1 244 752 36	2 308 789 54	1 616 152 68	0 7	2 277 966 36	2 277 966 36								
2016	745 651 06	-	1 235 178 11	1 980 829 17	1 386 580 42	0 7	1 179 504 03		1 179 504 03							
2017	843 067 55	-	1 605 704 99	2 448 772 54	1 714 140 78	0 7	1 549 991 44		1 342 915 05							
2018	1 185 789 73	-	1 562 961 91	2 748 761 64	1 924 133 15	0 7	1 514 422 57		1 143 196 84	780 936 31						
2019	917 265 21	-	2 606 848 39	3 524 113 60	2 466 879 52	0 7	2 592 038 27		1 811 121 96	655 757 56						
2020	537 067 73	-	1 484 164 91	2 021 252 64	1 414 876 65	0 7	1 504 078 40			848 320 84					566 556 01	
2021	34 912 63	-	1 228 956 68	1 263 869 21	884 708 45	0 7	1 191 035 99								824 539 98	260 168 47
TOTAL							1 405 914 61	2 277 966 36	1 179 504 03	1 549 991 44	1 504 078 40	1 811 121 96	655 757 56	848 320 84	566 556 01	260 168 47

(*) For the Foundation's purposes, at least 70 per cent of the results of the economic activities performed by the Foundation and of the income obtained by any other means, less any expenses arising from said results and income, must be allocated. The remainder must be used to increase the allowance or reserves according to the Board of Trustees agreement. Where applicable, the expenses incurred in order to obtain said income can be included, for the proportional part of the expenses from external services, personnel expenses, management expenses, finance and tax expenses, once they contribute to obtaining income, excluding any expenses incurred for the fulfilment of the statutory purposes.

FUNDACIÓN: RAFA NADALO
INVENTORY AT CLOSING OF THE EIGHT-MONTH PERIOD ENNDED AUGUST 31, 2021

BORROWINGS					
	DESCRIPTION OF THE DEBT	DATE OF EXECUTION	NOMINAL VALUE	REPAYMENT VALUE	TOTAL AMORTISED OR REFUNDED AMOUNTS
LONG-TERM	BANK BORROWINGS Loan Banco de Sabadell	19.05.2015	800,000.00 €		614,193.34 €
SHORT-TERM	Provisions Beneficiaries - creditors Other creditors	31.08.2021 31.08.2021 31.08.2021	- € 142,448.58 € 122,649.76 €		52,494.62 €




FUNDACIÓN: RAFA NADAL
INVENTORY AT CLOSING OF THE EIGHT-MONTH PERIOD ENDED AUGUST 31, 2021

DESCRIPTION OF THE ASSET PROPERTY, PLANT & EQUIPMENT	ACQUISITION DATE	ACQUISITION COST	ASSETS AND RIGHTS			
			OTHER VALUATIONS PERFORMED	AMORTISATIONS, IMPAIRMENT AND OTHER OFFSETTING ITEMS	CHARGES AND ENCUMBRANCES	OTHER CIRCUMSTANCES
Buildings						
Palma Social Centre	31.12.2016	1,038,006.87 €		178,711.15 €		
Technical installations						
Digital Terminal	31.12.2012	572.38 €		572.38 €		
Other property, plant & equipment						
Other installations						
Other installations social centre	31.12.2014	38,345.18 €		38,345.18 €		
Other installations social centre	31.12.2015	36,866.71 €		36,871.20 €		
Other installations social centre	31.03.2016	554.50 €		554.50 €		
Other installations social centre	30.09.2017	9,401.00 €		6,753.72 €		
Other installations social centre	01.01.2020	50,450.81 €		8,403.81 €		
Other installations social centre	01.01.2020	1,902.24 €		316.82 €		
Other installations Valencia social centre	18.10.2019	24,829.14 €		4,530.97 €		
Other installations Valencia social centre	18.03.2020	25,000.00 €		3,638.36 €		
Furniture and fittings						
Furniture and fittings social centre	31.12.2014	15,129.85 €		14,070.51 €		
Furniture and fittings social centre	31.12.2015	23,581.05 €		18,287.94 €		
Furniture and fittings social centre	31.12.2016	6,269.18 €		2,957.71 €		
Furniture and fittings social centre	30.04.2017	1,240.00 €		161.42 €		
Furniture and fittings social centre	27.10.2020	1,314.00 €		39.50 €		
Furniture and fittings social centre Valencia	29.10.2019	13,293.00 €		2,336.93 €		
Furniture and fittings social centre Valencia	13.01.2020	385.00 €		62.81 €		
Furniture and fittings social centre Valencia	29.10.2020	1,173.82 €		34.22 €		
Computer hardware	31.12.2014	6,315.34 €		6,315.34 €		
Computer hardware	30.06.2016	1,281.00 €		1,281.00 €		
Computer hardware	28.02.2017	1,126.00 €		1,126.00 €		
Computer hardware	01.04.2018	769.98 €		658.13 €		
Computer hardware	20.06.2018	4,002.18 €		3,201.70 €		
Computer hardware	05.09.2018	868.00 €		648.60 €		
Computer hardware	01.06.2020	1,874.94 €		456.78 €		
Computer hardware	16.02.2021	1,441.42 €		194.45 €		
Computer hardware	31.05.2021	1,152.31 €		73.37 €		
Vehicles	31.12.2010	14,819.52 €		14,819.52 €		
Other property, plant & equipment	01.01.2018	599.32 €		156.82 €		

INTANGIBLE ASSETS

Administrative concession		
Concession CFRN Palma	31.12.2014	315,353.03 €
Industrial and intellectual property		46,253.24 €
Brands	31.07.2016	755.65 €
Brands	31.03.2017	1,387.00 €
Brands	14.11.2019	1,012.00 €
Software		
MAC HOME LICENSES AND GUARANTEES	31.12.2012	789.74 €
Other software	30.04.2018	5,500.00 €
Other software	30.10.2019	1,800.00 €

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OTHER LONG-TERM FINANCIAL INVESTMENTS		
Bonds, guarantees and deposits constituted		
Guarantee Endesa	31.12.2016	3,983.65 €
Guarantee Manacor	31.12.2016	2,200.00 €
Contribution Rafa Nadal Foundation	31.12.2017	10,000.00 €
Guarantee Manacor	31.12.2016	1,200.00 €
Antolin Group bonds	18.10.2019	-€
Petróleo Mexican bonds	18.10.2019	108,086.30 €
Ford Motor Credit bonds	18.10.2019	106,907.39 €
Jaguar Land Rover bonds	11.02.2020	95,738.89 €
Grifols S.A bonds	11.05.2020	100,677.89 €
Telecom Italia SP bonds	11.05.2020	103,461.07 €
Netflix Inc bonds	11.05.2020	105,985.22 €
Telefonica Europe BV bonds	18.11.2020	116,231.65 €
Teva Pharm FNC bonds	18.12.2020	105,937.50 €

(En euros)			
Income statement item	Expenses breakdown	31.8.2020	31.12.2020
600	Purchases	4,431.72 €	28,696.69 €
607	Work performed by other companies	164,184.80 €	230,780.47 €
621	Leases	40,355.91 €	58,186.76 €
622	Repairs and maintenance	- €	414.56 €
623	Independent professional services	27,800.15 €	49,093.33 €
624	Transport	249.51 €	647.45 €
625	Insurance	4,293.16 €	8,026.90 €
626	Banks services	998.96 €	496.00 €
627	Advertising	500.00 €	- €
628	Supplies	396.12 €	57.29 €
629	Other expenses	148,198.72 €	34,885.99 €
631	Other taxes	15.65 €	- €
694	Impairment losses	- €	17,795
640	Salaries	245,081.77 €	283,699.36 €
641	Indemnities	- €	- €
642	Social Security	39,185.75 €	54,075.22 €
649	Other social expenses	954.56 €	1,401.12 €
650	Aid	514,629.41 €	623,854.88 €
662	Financial expenses	2,921.99 €	6,052.26 €
668	Exchange differences	- €	85,989.62 €
Total		1,194,198.18 €	1,484,152.46 €
Diff. 31.8.2021/31.12.2020		(289,954.28) €	

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FORMULACIÓN DE CUENTAS ANUALES ABREVIADAS

PREPARATION OF THE ABRIDGED ANNUAL ACCOUNTS

In compliance with prevailing mercantile legislation, **FUNDACIÓN RAFA NADAL** prepares the annual accounts for the period ended August 31, 2021.

Palma de Mallorca, November 20, 2021

Mrs. Ana María Parera
Chairwoman

A handwritten signature in blue ink, appearing to read 'Ana María Parera', written over a horizontal line.

Mrs. María Francisca Perelló
Secretary

A handwritten signature in blue ink, appearing to read 'M. Francisca Perelló', written over a horizontal line.

