

The Amutah for NGO Responsibility (R.A.)

Financial Statements as of December 31, 2013

The Amutah for NGO Responsibility (R.A.)

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Auditors' Report
To the memberd of the Association
The Amutah for NGO Responsibility (R.A.)

We have audited the accompanying balance sheets of The Amutah for NGO Responsibility (R.A.) ("the Association") as of December 31, 2013 and 2012, the statements of activities, and the statements of changes in net assets for each of the years then ended. These financial statements are the responsibility of the Association's executive. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Israeli Generally Accepted Auditing Standards, including those prescribed by the Auditors' Regulations (Auditor's Mode of Performance) – 1973. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes an examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Executive and management of the Association, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of the Association as of December 31, 2013 and 2012, the results of its activities and the changes in its net assets for each of the two years then ended, according to Israeli GAAP.

Ben David - Shalvi, Kop

Certified Public Accountants, (Isr.)

Jerusalem,

The Amutah for NGO Responsibility (R.A.)
Balance Sheets
(New Israeli Shekels)

		<u>As of December 31</u>	
	<u>Note</u>	<u>2013</u>	<u>2012</u>
<u>Curret Assets</u>			
Cash and Cash Equivalents	3	357,299	322,026
Debtors and Debit Balances	4	57,326	277,341
		<u>414,625</u>	<u>599,367</u>
 <u>Fixed Assets, Net</u>	5	<u>109,794</u>	<u>116,471</u>
		<u><u>524,419</u></u>	<u><u>715,838</u></u>

<u>Current Liabilities</u>			
Supliers and Service providers	6	57,619	14,679
Creditors and Credit Balances	7	119,757	229,604
		<u>177,376</u>	<u>244,283</u>
<u>Long Term Liabilities</u>			
Provision for Severance Pay	8	100,727	82,018
 <u>Net Assets</u>			
<u>Unrestricted Net Assets</u>			
Used for Current Activities		136,522	273,066
Used for Fixed and Other Assets		109,794	116,471
		<u>246,316</u>	<u>389,537</u>
		<u><u>524,419</u></u>	<u><u>715,838</u></u>

15/6/14

Date

Member of the
board

Member of the
board

The attached notes are an integral part of these statements

The Amutah for NGO Responsibility (R.A.)
Statements of Activities
(New Israeli Shekels)

		Year ended December 31	
		2013	2012
Income from Activities	9	3,564,519	3,600,742
Cost of Activities	10	2,996,537	2,548,228
Net Income from Activities		567,982	1,052,514
General and Administrative Expenses	11	669,212	781,944
Net Income (Deficit) for the Year Before Finance		(101,230)	270,570
Financial Expense		41,991	23,758
Net Income (Deficit) for the Year		(143,221)	246,812
Capital gain from sales of fixed assets		-	2,000
Net Income (Deficit) for the year		(143,221)	248,812

The attached notes are an integral part of these statements

The Amutah for NGO Responsibility (R.A.)
Statements of Changes in Net Assets
(New Israeli Shekels)

	<u>Unrestricted Net Assets</u>		
	<u>Used for activities</u>	<u>Used for fixed and Other Assets</u>	<u>Total</u>
Balance as of January 1, 2012	35,601	105,124	140,725
<u>Changes during the year</u>			
Net income for the year	248,812	-	248,812
Transfer of unrestricted amounts for fixed assets	(40,591)	40,591	-
Amounts transferred to cover depreciation expenses	<u>29,244</u>	<u>(29,244)</u>	<u>-</u>
Balance as of December 31, 2012	273,066	116,471	389,537
<u>Changes during the year</u>			
Deficit for the year	(143,221)	-	(143,221)
Transfer of unrestricted amounts for fixed assets	(27,482)	27,482	-
Amounts transferred to cover depreciation expenses	<u>34,159</u>	<u>(34,159)</u>	<u>-</u>
Balance as of December 31, 2013	<u>136,522</u>	<u>109,794</u>	<u>246,316</u>

The attached notes are an integral part of these statements

The Amutah for NGO Responsibility (R.A.)
Notes to Financial Statements
(New Israeli Shekels)

Note 1 - General

The Amutah for NGO Responsibility (R.A.) (hereafter: "the Association") was established as a non-profit organization according to the Association law 1980, and began its activity in February 2007.

The aim of the Association is to serve as a public research institute that publicly (not politically) analyses the activities of NGO's, especially those working within the international community and in the Palestinian Authority territories and who deal with the Arab-Israeli conflict, and to examine the transparency of the mission statements of the humanitarian NGO's.

Note 2 - Significant Accounting Policies

A. The financial statements were prepared according to generally accepted accounting principles for non-profit institution and in accordance with Standard No. 5 of the Israel Accounting Standard Board, regarding "accounting principles and financial reporting by nonprofit organizations."

B. Historical Cost Convention

The financial statements were prepared on the basis of the historical cost convention and do not include the impact of changes in the general purchasing power of the Israeli currency on the results of the activities.

C. Cash and Cash Equivalents

The Association considers all highly liquid investments, including short-term bank deposits (up to three months from date of deposit) that are not restricted as to withdrawal or use, to be cash equivalents.

D. Fixed Assets

Fixed assets are shown at cost less accumulated depreciation. The depreciation was calculated according to the estimated length of use of the assets and at the following rates:

Computers and accessories	33%
Office furniture and equipment	7-15%
Leasehold improvements	10%

The Amutah for NGO Responsibility (R.A.)
Notes to Financial Statements
(New Israeli Shekels)

Note 2 - Significant Accounting Policies (Cont.)

E. Indexation to Foreign Currency

Balances in or indexed to foreign currency are recorded at the exchange rate on the balance sheet. Income and expenses indexed to foreign currency are recorded on the transaction day, as follows:

December 31, 2013	\$1 = NIS 3.471
December 31, 2012	\$1 = NIS 3.733

F. Statements of Changes in Cash Flows

The financial statements do not include a statement of cash flow, as such a statement would not add significant financial information to that already included in the financial statements.

Note 3 - Cash and Cash Equivalents

	<u>As of December 31</u>	
	<u>2013</u>	<u>2012</u>
Cash on hand and in banks - NIS	342,953	277,536
Cash on hand and in banks - foreign currency	14,346	44,490
	<u>357,299</u>	<u>322,026</u>

Note 4 - Debtors and Debit Balances

	<u>As of December 31</u>	
	<u>2013</u>	<u>2012</u>
Prepaid expenses	57,326	22,572
Income receivable	-	254,769
	<u>57,326</u>	<u>277,341</u>

The Amutah for NGO Responsibility (R.A.)
Notes to Financial Statements
(New Israeli Shekels)

Note 5 - Fixed Assets, Net

	<u>Computers</u>	<u>Furniture</u>	<u>Leasehold Improvements</u>	<u>Total</u>
<u>Cost</u>				
Balance as at January 1 2013	133,055	69,191	46,200	248,446
Additions	<u>24,530</u>	<u>2,952</u>	<u>-</u>	<u>27,482</u>
Balance as at December 31 2013	157,585	72,143	46,200	275,928
<u>Accumulated Depreciation</u>				
Balance as at January 1 2013	92,563	18,070	21,342	131,975
Additions	<u>25,494</u>	<u>4,045</u>	<u>4,620</u>	<u>34,159</u>
Balance as at December 31 2013	118,057	22,115	25,962	166,134
Fixed Assets, Net as at December 31 2013	<u><u>39,528</u></u>	<u><u>50,028</u></u>	<u><u>20,238</u></u>	<u><u>109,794</u></u>
Fixed Assets, Net as at December 31 2012	<u><u>40,492</u></u>	<u><u>51,121</u></u>	<u><u>24,858</u></u>	<u><u>116,471</u></u>

Note 6 - Suppliers and Service providers

	<u>As of December 31</u>	
	<u>2013</u>	<u>2012</u>
Open accounts	4,132	9,623
Checks payable	<u>53,487</u>	<u>5,056</u>
	<u><u>57,619</u></u>	<u><u>14,679</u></u>

The Amutah for NGO Responsibility (R.A.)
Notes to Financial Statements
(New Israeli Shekels)

Note 7 - Creditors and Credit Balances

	<u>As of December 31</u>	
	<u>2013</u>	<u>2012</u>
Employees and related institutions	99,876	198,220
Expenses payable	19,881	31,384
	<u>119,757</u>	<u>229,604</u>

Note 8 - Provision for Severance Pay

- A. The provision for severance pay is computed based on the last salary of the employees and according to their seniority, for the employees who worked in the Association over than one year.
- B. The liability for severance pay to employees as of the balance sheet date is covered by payments to a management insurance policy and funds included in a provision for severance pay.

Note 9 - Income from Activities

	<u>Year ended December 31</u>	
	<u>2013</u>	<u>2012</u>
Donations	3,488,498	3,421,075
Book sales and provision services	50,000	47,960
Donations in kind (*)	26,021	131,707
	<u>3,564,519</u>	<u>3,600,742</u>

The Amutah for NGO Responsibility (R.A.)
Notes to Financial Statements
(New Israeli Shekels)

Note 10 - Cost of Activities

	Year ended December 31	
	2013	2012
Salaries and related expenses	2,537,525	1,947,311
Office expenses, Advertising, printing and Research	202,540	199,268
Travel (includes travel abroad)	150,470	183,422
Rent	38,502	60,200
Depreciation	30,743	26,320
Research expenses in kind (*)	26,021	131,707
	6,345	-
	4,391	-
	<u>2,996,537</u>	<u>2,548,228</u>

(*) Institute "REPORT" performed researches for the association without charge. Calculation of the value of the contribution was carried out by the management of the Association, according to its assessment of the market value.

The Amutah for NGO Responsibility (R.A.)
Notes to Financial Statements
(New Israeli Shekels)

Note 11 - General and Administrative Expenses

	Year ended December 31	
	2013	2012
Salaries and Related expenses	353,592	459,917
Professional Services	84,896	68,912
Fundraising - travel abroad	83,666	114,617
Telephone and Postage	38,559	34,805
Property tax	32,403	31,785
Refreshments	31,034	31,692
Insurance	12,893	13,344
Bank fees	9,549	9,047
Office expenses	8,579	7,172
Professional training and literature	7,110	3,773
Depreciation	3,416	2,924
Fees	1,518	1,273
Travel	1,340	1,800
Gifts	657	883
	<u>669,212</u>	<u>781,944</u>