

The Amutah for NGO Responsibility (R.A.)

Financial Statements as of December 31, 2012

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The Amutah for NGO Responsibility (R.A.)

Table of Contents

	<u>Page</u>
Auditors' Report to the Members of the Association	1
Balance Sheets	2
Statements of Activities	3
Statements of Changes in Net Assets	4
Notes to Financial Statements	5-11

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, 2012 and 2011, 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, 2012 and 2011, the results of its activities and the changes in its net assets for each of the two years then ended, according to Israeli GAAP.

Shalvi, Kop & Co.
Shalvi, Kop & Co.
Certified Public Accountants, (Isr.)

June 12, 2013
Jerusalem,

Tel-Aviv Office:

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P.O.B 14260, Tel Aviv 61142, Israel

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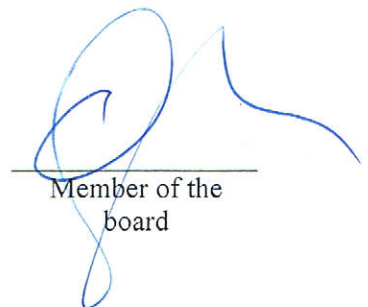
The Amutah for NGO Responsibility (R.A.)
Balance Sheets
(New Israeli Shekels)

		<u>As of December 31</u>	
	<u>Note</u>	<u>2012</u>	<u>2011</u>
<u>Curret Assets</u>			
Cash and Cash Equivalents	3	322,026	196,546
Debtors and Debit Balances	4	277,341	29,636
		<u>599,367</u>	<u>226,182</u>
 <u>Fixed Assets</u>	5	97,088	76,465
 <u>Other Assets</u>	6	<u>19,383</u>	<u>28,659</u>
		<u><u>715,838</u></u>	<u><u>331,306</u></u>

<u>Current Liabilities</u>			
Supliers and Service providers	7	14,679	34,509
Creditors and Credit Balances	8	229,604	92,164
		<u>244,283</u>	<u>126,673</u>
 <u>Long Term Liabilities</u>			
Provision for Severance Pay	9	82,018	63,908
 <u>Net Assets</u>			
<u>Unrestricted Net Assets</u>			
Used for Current Activities		273,066	35,601
Used for Fixed and Other Assets		116,471	105,124
		<u>389,537</u>	<u>140,725</u>
		<u><u>715,838</u></u>	<u><u>331,306</u></u>

June 12, 2013
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	
		2012	2011
Income from Activities	10	3,600,742	2,588,671
Cost of Activities	11	2,548,228	2,313,064
Net Income from Activities		1,052,514	275,607
General and Administrative Expenses	12	781,944	440,709
Net Income (Deficit) for the Year Before Finance		270,570	(165,102)
Financial Expense		23,758	5,951
Net Income (Deficit) for the Year		246,812	(171,053)
Capital gain from sales of fixed assets		2,000	-
Net Income (Deficit) for the year		248,812	(171,053)

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, 2011	219,959	91,819	311,778
<u>Changes during the year</u>			
Net Deficit for the Year	(171,053)	-	(171,053)
Transfer of unrestricted amounts for fixed assets	(37,889)	37,889	-
Amounts transferred to cover depreciation expenses	<u>24,584</u>	<u>(24,584)</u>	<u>-</u>
Balance as of December 31, 2011	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	<u>273,066</u>	<u>116,471</u>	<u>389,537</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. Other Assets

Other 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 rate:

Software	33%
Website	33%

F. 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:

	<u>As For December 31</u>	
	<u>2012</u>	<u>2011</u>
USD	3.733	3.821
EURO	4.920	4.938

G. Statement of Changes in Cash Flow

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>2012</u>	<u>2011</u>
Cash on hand and in banks - NIS	277,536	196,546
Cash on hand and in banks - foreign currency	44,490	-
	<u>322,026</u>	<u>196,546</u>

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

Note 4 - Debtors and Debit Balances

	<u>As of December 31</u>	
	<u>2012</u>	<u>2011</u>
Prepaid expenses	22,572	27,336
Income receivable	254,769	2,300
	<u>277,341</u>	<u>29,636</u>

Note 5 - Fixed Assets

	<u>As of December 31</u>			
	<u>2012</u>		<u>2011</u>	
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Depreciated Cost</u>	<u>Depreciated Cost</u>
Computers and accessories	71,561	50,452	21,109	4,663
Office furniture and Equipment	69,191	18,070	51,121	42,324
Leasehold improvements	46,200	21,342	24,858	29,478
	<u>186,952</u>	<u>89,864</u>	<u>97,088</u>	<u>76,465</u>

Note 6 - Other Assets

	<u>As of December 31</u>			
	<u>2012</u>		<u>2011</u>	
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Depreciated Cost</u>	<u>Depreciated Cost</u>
Software	22,112	9,628	12,484	16,020
Website	39,382	32,483	6,899	12,639
	<u>61,494</u>	<u>42,111</u>	<u>19,383</u>	<u>28,659</u>

Note 7 - Suppliers and Service providers

	<u>As of December 31</u>	
	<u>2012</u>	<u>2011</u>
Open accounts	9,623	10,560
Checks payable	5,056	23,949
	<u>14,679</u>	<u>34,509</u>

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

Note 8 - **Creditors and Credit Balances**

	<u>As of December 31</u>	
	<u>2012</u>	<u>2011</u>
Employees and related institutions	198,220	76,863
Expenses payable	31,384	14,371
Other creditors	-	930
	<u>229,604</u>	<u>92,164</u>

Note 9 - **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.

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

Note 10 - Income from Activities

	Year ended December 31	
	2012	2011
Donations	3,421,075	2,380,494
Donations in kind (*)	131,707	175,391
Book sales and provision services	47,960	32,786
	<u>3,600,742</u>	<u>2,588,671</u>

Note 11 - Cost of Activities

	Year ended December 31	
	2012	2011
Salaries and related expenses	1,947,311	1,688,123
Office expenses, Advertising, printing and Research	199,268	208,733
Travel (includes travel abroad)	183,422	146,482
Research expenses in kind (*)	131,707	175,391
Rent	60,200	60,000
Depreciation	26,320	22,126
Legal fees and translation	-	12,209
	<u>2,548,228</u>	<u>2,313,064</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 12 - General and Administrative Expenses

	<u>Year ended</u> <u>December 31</u>	
	<u>2012</u>	<u>2011</u>
Salaries and Related expenses	459,917	192,774
Fundraising - travel abroad	114,617	79,601
Professional Services	68,912	44,254
Telephone and Postage	34,805	32,557
Property tax	31,785	31,079
Refreshments	31,692	24,968
Insurance	13,344	12,216
Bank fees	9,047	7,317
Office expenses	7,172	6,413
Professional training and literature	3,773	2,726
Depreciation	2,924	2,458
Travel	1,800	1,709
Fees	1,273	1,241
Gifts	883	1,396
	<u>781,944</u>	<u>440,709</u>

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

Note 13 -

Donations listed in the Statement on Activities:

Name of Donor	For the Year Ended
	<u>December 31</u> <u>2012</u>
Abroad:	
REPORT, Inc.	3,182,800
Orion Foundation	136,955
Real Property Investment	20,391
In Israel:	
DR. Tuchmen J.	20,000
Peter Simpson	55,845

Donations in kind listed in the Statement on Activities:

REPORT, Inc.	131,707
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