

Breaking The Silence Ltd (PBC)

Financial Statements as of December 31
2013

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Financial Statements as of December 31 2013

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Auditors' Report
To the shareholders of
Breaking The Silence Ltd (PBC)

We have audited the accompanying balance sheets of Breaking The Silence Ltd (PBC) (hereinafter: "the Company") as of December 31 2013 and 2012, the statement of activities and the statement of changes in net assets for each of the years then ended. These financial statements are the responsibility of the Company's board of directors and management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards in Israel, including those prescribed by the Auditor's 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 examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements. An audit also includes an assessment of the accounting principles used and significant estimates made by the board of directors and management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 Company as of December 31 2013 and 2012, the results of its activities and the changes in its net assets for each of the years then ended, in conformity with generally accepted accounting principles in Israel (Israeli GAAP).

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

Jerusalem, 12, May, 2014

Breaking The Silence Ltd (PBC)
Balance Sheets
(New Israeli Shekels)

		As of December 31	
	Note	2013	2012
<u>Curret Assets</u>			
Cash and cash equivalents	3	1,699,706	1,537,107
Checks Receivable		7,610	
Income Receivable		-	176,066
		<u>1,707,316</u>	<u>1,713,173</u>
<u>Fixed Assets</u>			
	4	211,149	216,034
		<u>1,918,465</u>	<u>1,929,207</u>
<u>Current liabilities</u>			
Suppliers and Service Providers	5	36,400	91,925
Creditors and credit balances	6	507,440	619,579
		<u>543,840</u>	<u>711,504</u>
<u>Provision for severance pay</u>	7	87,465	90,892
<u>Net Assets</u>			
<u>Unrestricted Net Assets</u>			
Used for current activities		685,391	564,911
Used for fixed assets		211,149	216,034
		<u>896,540</u>	<u>780,945</u>
<u>Temporarily Restricted Net Assets</u>		<u>390,613</u>	<u>345,859</u>
<u>Share Capital</u>	8	7	7
		<u>1,287,160</u>	<u>1,126,811</u>
		<u>1,918,465</u>	<u>1,929,207</u>

9, May, 2014
Date


Chairman of the
Board


Member of the
Board

The attached notes are an integral part of these statements.

Breaking The Silence Ltd (PBC)
Statements of Income
(New Israeli Shekels)

		Year ended December 31	
	<u>Note</u>	<u>2013</u>	<u>2012</u>
Activities turnover	9	3,077,662	3,726,988
Cost of activities	10	2,337,830	2,656,507
Net income from activities		<u>739,832</u>	<u>1,070,481</u>
General and administrative expenses	11	<u>569,404</u>	<u>554,560</u>
Net income before finance		170,428	515,921
Financial expenses net	12	<u>48,211</u>	<u>5,175</u>
Net Income before other expenses		122,217	510,746
Other expenses, net	13	<u>6,622</u>	<u>60,157</u>
Net income for the year		<u>115,595</u>	<u>450,589</u>

The attached notes are an integral part of these statements.

Breaking The Silence Ltd (PBC)
Statements of Changes in Net Assets
(New Israeli Shekels)

	<u>Unrestricted Net Assets</u>				
	<u>Used for activities</u>	<u>Used for fixed assets</u>	<u>Temporarily Restricted Net Assets</u>	<u>Share Capital</u>	<u>Total</u>
Balance as of January 1 2012	139,389	190,967	-	7	330,363
<u>Changes during the year</u>					
Designated donations	-	-	3,219,422	-	3,219,422
Net income for the year	450,589	-	-	-	450,589
<u>Amounts released from restrictions</u>					
Used for Activities	-	-	(2,873,563)	-	(2,873,563)
<u>Transfer of unrestricted amounts</u>					
Used for Fixed Assets	(80,537)	80,537	-	-	-
Amounts transferred to cover depreciation expenses	<u>55,470</u>	<u>(55,470)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance as of December 31 2012	<u>564,911</u>	<u>216,034</u>	<u>345,859</u>	<u>7</u>	<u>1,126,811</u>

The attached notes are an integral part of these statements.

Breaking The Silence Ltd (PBC)
Statements of Changes in Net Assets
(New Israeli Shekels)

Balance as of January 1 2013	564,911	216,034	345,859	7	1,126,811
<u>Changes during the year</u>					
Designated donations	-	-	1,588,887	-	1,588,887
Net income for the year	115,595	-	-	-	115,595
<u>Amounts released from restrictions</u>					
Used for Activities	-	-	(1,544,133)	-	(1,544,133)
<u>Transfer of unrestricted amounts</u>					
Used for Fixed Assets	(56,452)	56,452	-	-	-
Decrease of fixed assets disposed	9,300	(9,300)	-	-	-
Amounts transferred to cover depreciation expenses	<u>52,037</u>	<u>(52,037)</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Balance as of December 31 2013	 <u>685,391</u>	 <u>211,149</u>	 <u>390,613</u>	 <u>7</u>	 <u>1,287,160</u>

The attached notes are an integral part of these statements.

Breaking The Silence Ltd (PBC)

Notes to the Financial Statements

(New Israeli Shekels)

Note 1 - General

- A. Breaking The Silence Ltd (PBC) (hereinafter: "the company") was established in July 2004. The company works in documentation and publication of evidence of IDF soldiers during military operations and trying to fight and prevent human rights violations against the civilian population.
- B. The company is recognized as a Not for Profit Organization by the V.A.T. Authorities and as a "public institution" as defined in section 9(2) of the Income Tax Ordinance.

Note 2 - Significant Accounting Policies

- A. The financial statements are compiled 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 are presented in nominal (historical) Israeli Shekels and do not take into account the effect of changes in the purchasing power of the Israeli Shekel.
- C. Cash and Cash Equivalents
The company 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 stated at cost and are depreciated by the straight-line method over the estimated useful lives of the assets, as follows:
- | | |
|-------------------------|-----------|
| Vehicles | 15% |
| Furniture and equipment | 7% - 15% |
| Computers | 10% - 33% |
| Leasehold improvement | 10% |
- E. Indexation to Foreign Currency
Balances in or indexed to foreign currency are recorded at the exchange rate on the balance sheet. The dollar exchange rates for the dates of the financial statement are as follows:

	As of December 31	
	2013	2012
US Dollar	3.471	3.7330
CAD	3.2642	3.7496
EURO	4.7819	4.9206
Pound	5.7419	6.0365
CHF	3.8973	4.0766

Breaking The Silence Ltd (PBC)
Notes to the Financial Statements
(New Israeli Shekels)

Note 3 - Cash and cash equivalents

	<u>As of December 31</u>	
	<u>2013</u>	<u>2012</u>
Cash in the bank - foreign currency	937,517	555,194
Cash in the bank - israeli currency	552,235	963,805
Cash on hand	36,986	12,356
Short term bank deposits - foreign currency	172,968	1,718
Short term bank deposits - israeli currency	-	4,034
	<u>1,699,706</u>	<u>1,537,107</u>

Breaking The Silence Ltd (PBC)
Notes to the Financial Statements
(New Israeli Shekels)

Note 4 - Fixed Assets

	<u>Vehicles</u>	<u>Furniture and Equipment</u>	<u>Computers</u>	<u>Leasehold Improvement</u>	<u>Total</u>
<u>Cost</u>					
Balance as of January 1 2013	9,300	160,479	253,048	-	422,827
Additions during the year	-	9,909	34,035	12,508	56,452
Subtractions during the year	(9,300)	-	-	-	(9,300)
Balance as of December 31 2013	-	170,388	287,083	12,508	469,979
<u>Accumulated Depreciation</u>					
Balance as of January 1 2013	(1,992)	(78,412)	(126,389)	-	(206,793)
Additions during the year	(686)	(19,846)	(34,111)	(72)	(54,715)
Subtractions during the year	2,678	-	-	-	2,678
Balance as of December 31 2013	-	(98,258)	(160,500)	(72)	(258,830)
Fixed Assets, Net as of December 31 2013	<u>-</u>	<u>72,130</u>	<u>126,583</u>	<u>12,436</u>	<u>211,149</u>
Fixed Assets, Net as of December 31 2012	<u>7,308</u>	<u>102,660</u>	<u>106,066</u>	<u>-</u>	<u>216,034</u>

Breaking The Silence Ltd (PBC)
Notes to the Financial Statements
(New Israeli Shekels)

Note 5 - Suppliers and Service Providers

	As of December 31	
	2013	2012
Checks payable	32,676	78,255
Open Accounts	3,724	13,670
	36,400	91,925

Note 6 - Creditors and credit balances

Prepaid Income	350,097	425,006
Employees and related institutions	131,140	88,455
Expenses payable	26,203	106,118
	507,440	619,579

Note 7 - Provision for severance pay

The provision for severance pay is calculated according to the last salary of the employees and their seniority. The obligations for terminating the employee-employer relationship stated in the balance sheet, together with the pension plan cover the company's obligations upon termination of the employee-employer relations as of the date of the balance sheet.

Note 8 - Share Capital

	Registered	Issued and Paid
Regular Shares at 1 NIS par value	100	7

Note 9 - Activities turnover

	Year ended December 31	
	2013	2012
Amounts released from restriction for activities	1,544,133	2,873,563
Donations	1,533,529	853,425
	3,077,662	3,726,988

Breaking The Silence Ltd (PBC)
Notes to the Financial Statements
(New Israeli Shekels)

Note 10 - Cost of activities

	Year ended December 31	
	2013	2012
Salaries, payments for lecturers and related expenses	1,013,640	1,051,126
Tours and transportation	563,977	* 919,075
Photographs, prints and exhibitions	218,514	283,123
Resources development	168,504	70,387
Publication and dissemination of information	127,331	72,759
Legal advice	107,157	128,699
Overseas travel	65,858	59,674
Depreciation	54,715	55,470
Other expenses	18,134	16,194
	<u>2,337,830</u>	<u>2,656,507</u>

Note 11 - General and administrative expenses

Salaries and related expenses	299,568	224,609
Rent, Maintenance and management fees	95,012	69,257
Vehicle maintenance and movers	83,266	133,269
Professional fees	39,600	39,002
Bank fees	17,248	14,486
Telephone and communication	10,286	31,647
Office expenses	9,318	* 22,508
Taxes and fees	9,026	6,186
Refreshment	6,080	13,596
	<u>569,404</u>	<u>554,560</u>

Note 12 - Financial expenses net

Exchange rate differentials	48,211	5,587
Interest income	-	(412)
	<u>48,211</u>	<u>5,175</u>

* Reclassified

Breaking The Silence Ltd (PBC)
Notes to the Financial Statements
(New Israeli Shekels)

Note 13 - Other expenses, net

	<u>Year ended December 31</u>	
	<u>2013</u>	<u>2012</u>
Capital loss	(6,622)	-
Expenses for previous years	-	(60,157)
	<u>(6,622)</u>	<u>(60,157)</u>

Note 14 - Details of Donators over 20,000 NIS

	<u>Donor's Name</u>	
1.	Broederlijk Delen	270,024
2.	Dan Church Aid	125,594
3.	Foundation for ME Peace	36,185
4.	Foundation Pro Victimis	273,372
5.	ICCO	147,325
6.	Juliane Heynman NIF	27,718
7.	Macmillan Royalties	108,499
8.	Medico INT	50,673
9.	Misereor	333,139
10.	Moriah Fund NIF	121,268
11.	Open Society Institute	135,740
12.	Rockefeller Brothers Fund	155,980
13.	Royal Norwegian Embassy	248,823
14.	Sigrid Rausing	157,150
15.	SIVMO	59,558
16.	European Union	422,566
17.	New Israel Fund	72,025
18.	AECID	177,660

Breaking The Silence Ltd (PBC)
Notes to the Financial Statements
(New Israeli Shekels)

Note 15 - Details of Donations from a foreign political entity

Donor's Name

1.	Broederlijk Delen	270,024
2.	Dan Church Aid	125,594
3.	ICCO	147,325
4.	Macmillan Royalties	108,499
5.	Royal Norwegian Embassy	248,823
6.	Royal Norwegian Embassy Tel Aviv	148,315
7.	European Union	422,566
8.	AECID	177,660