

Breaking The Silence Ltd (PBC)

Financial Statements as of December 31 2014

Breaking The Silence Ltd (PBC)
Financial Statements as of December 31 2014

Table of Contents

	<u>Page</u>
Auditors' Report	1
Balance Sheets	2
Statements of Income	3
Statements of Changes in Net Assets	4-5
Notes to the Financial Statements	6-12

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 2014 and 2013, 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 2014 and 2013, 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
Certified Public Accountants, (Isr.)

Ben David Shalvi Kop

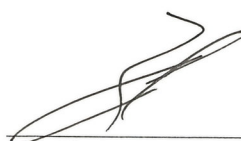
Jerusalem, June 10, 2015

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

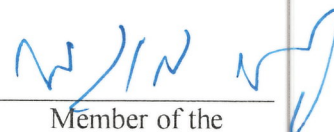
	<u>Note</u>	<u>As of December 31</u>	
		<u>2014</u>	<u>2013</u>
<u>Current Assets</u>			
Cash and Cash Equivalents	3	1,707,017	1,699,706
Checks Receivable		105,774	7,610
		<u>1,812,791</u>	<u>1,707,316</u>
<u>Fixed Assets, Net</u>	4	228,406	211,149
		<u>2,041,197</u>	<u>1,918,465</u>
<u>Current Liabilities</u>			
Suppliers and Service Providers	5	75,729	36,400
Creditors and Credit Balances	6	496,024	507,440
		<u>571,753</u>	<u>543,840</u>
<u>Provision for severance pay</u>	7	104,570	87,465
<u>Net Assets</u>			
<u>Unrestricted Net Assets</u>			
Used for Current Activities		1,091,707	685,391
Used for Fixed Assets		228,406	211,149
		<u>1,320,113</u>	<u>896,540</u>
<u>Temporarily Restricted Net Assets</u>		44,754	390,613
<u>Share Capital</u>	8	7	7
		<u>1,364,874</u>	<u>1,287,160</u>
		<u>2,041,197</u>	<u>1,918,465</u>

June 3, 2015

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)

	Note	Year ended December 31	
		2014	2013
Activities turnover	9	3,802,165	3,077,662
Cost of activities	10	2,680,363	* 2,169,326
Net income from activities		1,121,802	908,336
General and administrative expenses	11	663,107	* 720,660
Net income before finance		458,695	187,676
Financial expenses net	12	35,122	* 65,459
Net Income before other expenses		423,573	122,217
Other expenses - Capital loss		-	6,622
Net income for the year		423,573	115,595

* Reclassified

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 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)
Statements of Changes in Net Assets
(New Israeli Shekels)

Balance as of January 1 2014	685,391	211,149	390,613	7	1,287,160
<u>Changes during the year</u>					
Net income for the year	423,573	-	-	-	423,573
<u>Amounts released from restrictions</u>					
Used for Activities	-	-	(345,859)	-	(345,859)
<u>Transfer of unrestricted amounts</u>					
Used for Fixed Assets	(76,117)	76,117	-	-	-
Amounts transferred to cover depreciation expenses	<u>58,860</u>	<u>(58,860)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance as of December 31 2014	<u>1,091,707</u>	<u>228,406</u>	<u>44,754</u>	<u>7</u>	<u>1,364,874</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.
- C. The company has a valid "Proper Managing" authorization from The Registrar of Associations in Israel for the year 2015.

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%

Breaking The Silence Ltd (PBC)
Notes to the 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. The dollar exchange rates for the dates of the financial statement are as follows:

	As of December 31	
	2014	2013
US Dollar	3.889	3.471
CAD	3.3586	3.2642
EURO	4.7246	4.7819
Pound	6.0636	5.7419
CHF	3.9291	3.8973

Note 3 - Cash and Cash Equivalents

	As of December 31	
	2014	2013
Cash in the bank - Israeli currency	1,478,784	552,235
Cash in the bank - Foreign currency	199,396	937,517
Cash on hand	23,334	36,986
Short term bank deposits - Foreign currency	5,503	172,968
	<u>1,707,017</u>	<u>1,699,706</u>

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

Note 4 - Fixed Assets, Net

	<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 2014	-	170,388	287,083	12,508	469,979
Additions during the year	27,000	31,078	18,039	-	76,117
Balance as of December 31 2014	27,000	201,466	305,122	12,508	546,096
<u>Accumulated Depreciation</u>					
Balance as of January 1 2014	-	98,258	160,500	72	258,830
Additions during the year	1,953	15,568	40,088	1,251	58,860
Balance as of December 31 2014	1,953	113,826	200,588	1,323	317,690
Fixed Assets, Net as of December 31 2014	25,047	87,640	104,534	11,185	228,406
Fixed Assets, Net as of December 31 2013	-	72,130	126,583	12,436	211,149

Note 5 - Suppliers and Service Providers

	<u>As of December 31</u>	
	<u>2014</u>	<u>2013</u>
Checks payable	37,842	32,676
Open Accounts	37,887	3,724
	75,729	36,400

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

Note 6 - Creditors and Credit Balances

	As of December 31	
	2014	2013
Prepaid Income	299,077	350,097
Employees and related institutions	174,333	131,140
Expenses payable	22,614	26,203
	496,024	507,440

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

	<u>Registered</u>	<u>Issued and Paid</u>
Regular Shares at 1 NIS par value	100	7

Note 9 - Activities turnover

	Year ended December 31	
	2014	2013
Donations	3,456,306	1,533,529
Amounts released from restriction for activities	345,859	1,544,133
	3,802,165	3,077,662

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

Note 10 - Cost of activities

	Year ended December 31	
	2014	2013
Salaries, payments for lecturers and related expenses	1,293,148	1,013,640
Tours and transportation	443,819	* 508,596
Photographs, prints and exhibitions	361,884	218,514
Publication and dissemination of information	195,104	127,331
Legal advice	136,831	107,157
Maintenance	112,857	18,134
Depreciation	58,860	54,715
Overseas travel	40,608	65,858
Communications	37,252	* 55,381
	<u>2,680,363</u>	<u>2,169,326</u>

Note 11 - General and administrative expenses

Salaries and related expenses	234,806	299,568
Resources development	184,080	* 168,504
Rent, Maintenance and management fees	121,187	95,012
Professional fees	44,000	39,600
Vehicle maintenance	34,181	83,266
Office expenses	16,096	9,318
Telephone and communication	9,433	10,286
Taxes and fees	8,650	9,026
Insurance	6,734	-
Gifts	2,299	-
Refreshment	1,641	6,080
	<u>663,107</u>	<u>720,660</u>

* Reclassified

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

Note 12 - Financial expenses net

	Year ended December 31	
	2014	2013
Interest expenses	25,515	17,248
Exchange rate differentials	9,607	48,211
	35,122	65,459

Note 13 - Details of Donators over 20,000 NIS

List of donors who contributed during 2014 over 20,000 NIS:

	<u>Donor's Name</u>		
1.	Broederlijk Delen	146,579	₪
2.	Dan Church Aid	160,753	₪
3.	Foundation for ME Peace	26,032	₪
4.	Foundation Pro Victimis	273,993	₪
5.	ICCO	150,337	₪
6.	NGO Development Center	47,169	₪
7.	Pell Family Foundation	34,500	₪
8.	Medico	40,000	₪
9.	Misereor	468,539	₪
10.	Moriah Fund	102,479	₪
11.	Open Society Institute	160,026	₪
12.	Rockefeller Brothers Fund	188,925	₪
13.	Embassy of Norway	165,150	₪
14.	Sigrid Rausing Trust	287,580	₪
15.	SIVMO	46,924	₪
16.	The European Union	274,493	₪
17.	The New Israel Fund	138,752	₪
18.	AECID	293,424	₪
19.	CCFD Terre Solidaire	47,258	₪
20.	Trocaire	73,030	₪
21.	IHL Secretariat	382,953	₪

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

Note 14 - Details of Donations from a foreign political entity

List of donations received during the 2014 from foreign political entity:

<u>Donor's Name</u>			
1.	Broederlijk Delen	146,579	₪
2.	Dan Church Aid	160,753	₪
3.	ICCO	150,337	₪
4.	NGO Development Center	47,169	₪
5.	Medico	40,000	₪
6.	Misereor	468,539	₪
7.	Embassy of Norway	165,150	₪
8.	SIVMO	46,924	₪
9.	The European Union	274,493	₪
10.	AECID	293,424	₪
11.	CCFD Terre Solidaire	47,258	₪
12.	Trocaire	73,030	₪
13.	IHL Secretariat	382,953	₪