

Breaking The Silence Ltd (PBC)

Financial Statements as of December 31 2015

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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 2015 and 2014, 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 2015 and 2014, 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.)

Jerusalem, 16/5/ 2016

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

		As of December 31	
	Note	2015	2014
<u>Current Assets</u>			
Cash and cash equivalents	3	1,411,973	1,707,017
Debtors and debit balances	4	763,072	105,774
		<u>2,175,045</u>	<u>1,812,791</u>
<u>Fixed Assets, Net</u>			
	5	259,379	228,406
		<u>2,434,424</u>	<u>2,041,197</u>
<u>Current Liabilities</u>			
Suppliers and service providers	6	133,764	75,729
Creditors and credit balances	7	890,411	496,024
		<u>1,024,175</u>	<u>571,753</u>
<u>Long-term Liabilities</u>			
Provision for severance pay	8	159,083	104,570
<u>Net Assets</u>			
<u>Unrestricted Net Assets</u>			
Used for Current Activities		991,780	1,091,707
Used for Fixed Assets		259,379	228,406
		<u>1,251,159</u>	<u>1,320,113</u>
<u>Temporarily Restricted Net Assets</u>			
		-	44,754
<u>Share Capital</u>	9	7	7
		<u>1,251,166</u>	<u>1,364,874</u>
		<u>2,434,424</u>	<u>2,041,197</u>

14/5/16

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
In (New Israeli Shekels)

	<u>Note</u>	<u>Year ended December 31</u>	
		<u>2015</u>	<u>2014</u>
Activities turnover	10	4,937,792	3,802,165
Cost of activities	11	4,105,725	* 2,673,722
Net income from activities		<u>832,067</u>	<u>1,128,443</u>
Administrative and general expenses	12	<u>857,585</u>	<u>* 669,748</u>
Net income (deficit) before finance		(25,518)	458,695
Net financial expenses		<u>43,436</u>	<u>35,122</u>
Net income (deficit) for the year		<u><u>(68,954)</u></u>	<u><u>423,573</u></u>

* Reclassified

The attached notes are an integral part of these statements.

Breaking The Silence Ltd (PBC)
Statements of Changes in Net Assets
In (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 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
Designated sums released by the organization	-	-	(345,859)	-	(345,859)
Amounts transferred to cover depreciation expenses	<u>(17,257)</u>	<u>17,257</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance as of December 31 2014	1,091,707	228,406	44,754	7	1,364,874
<u>Changes during the year</u>					
Net Deficit for the year	(68,954)	-	-	-	(68,954)
Designated sums released by the organization	-	-	(44,754)	-	(44,754)
Amounts transferred to cover depreciation expenses	<u>(30,973)</u>	<u>30,973</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance as of December 31 2015	<u>991,780</u>	<u>259,379</u>	<u>-</u>	<u>7</u>	<u>1,251,166</u>

The attached notes are an integral part of these statements.

Breaking The Silence Ltd (PBC)
Notes to the Financial Statements
In (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 2016.

Note 2 - Significant Accounting Policies

- A. The financial statements were prepared according to generally accepted accounting principles for non-profit institution and according to Standard No. 5 of the Israel Accounting Standard Board, regarding "accounting principles and financial reporting by non profit 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
In (New Israeli Shekels)

Note 2 - Significant Accounting Policies (Cont.)

E. Indexation to Foreign Currency

Balances in or indexed to foreign currency are included in the financial statements at the representative exchange rate published by the bank of Israel as the balance sheet date. The exchange rates for the dates of the financial statement are as follows:

	As of December 31	
	2015	2014
US Dollar	3.9020	3.889
CAD	2.8509	3.3586
EURO	4.2468	4.246
POUND	5.7840	6.0636
CHF	3.9246	3.9291

Note 3 - Cash and cash equivalents

	As of December 31	
	2015	2014
Cash in the bank - Israeli currency	607,480	1,478,784
Cash in the bank - Foreign currency	588,284	199,396
Cash on hand	164,399	23,334
Short term bank deposits - Foreign currency	51,810	5,503
	1,411,973	1,707,017

Note 4 - Debtors and debit balances

	As of December 31	
	2015	2014
Checks Receivable	409,235	105,774
Prepaid expenses	353,837	-
	763,072	105,774

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

Note 5 - 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 2015	27,000	201,466	305,122	12,508	546,096
Additions during the year	-	3,948	64,748	26,963	95,659
Balance as of December 31 2015	27,000	205,414	369,870	39,471	641,755
<u>Accumulated Depreciation</u>					
Balance as of January 1 2015	1,953	113,826	200,588	1,323	317,690
Depreciation for the year	4,050	16,904	40,592	3,140	64,686
Balance as of December 31 2015	6,003	130,730	241,180	4,463	382,376
Fixed Assets, Net as of December 31 2015	<u>20,997</u>	<u>74,684</u>	<u>128,690</u>	<u>35,008</u>	<u>259,379</u>
Fixed Assets, Net as of December 31 2014	<u>25,047</u>	<u>87,640</u>	<u>104,534</u>	<u>11,185</u>	<u>228,406</u>

Note 6 - Suppliers and service providers

	<u>As of December 31</u>	
	<u>2015</u>	<u>2014</u>
Open accounts	132,184	37,887
Checks payable	1,580	37,842
	<u>133,764</u>	<u>75,729</u>

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

Note 7 - Creditors and credit balances

	As of December 31	
	2015	2014
Prepaid Income	591,151	299,077
Employees and related institutions	277,589	174,333
Expenses payable	21,671	22,614
	890,411	496,024

Note 8 - 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 9 - Share Capital

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

Note 10 - Activities turnover

	Year ended December 31	
	2015	2014
Donations	4,893,038	3,456,306
Amounts released from restriction for activities	44,754	345,859
	4,937,792	3,802,165

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

Note 11 - Cost of activities

	Year ended December 31	
	2015	*2014
Salaries, payments for lecturers and related expenses	2,059,981	1,293,149
Public activity	737,930	326,717
Tours and transportation	444,583	437,177
Collecting and producing evidence	301,752	311,050
Legal advice	179,970	136,831
Overseas travel	159,640	40,608
Communication and computing	157,183	69,330
Depreciation	64,686	58,860
	<u>4,105,725</u>	<u>2,673,722</u>

Note 12 - Administrative and general expenses

	Year ended December 31	
	2015	*2014
Salaries and related expenses	402,161	234,805
Rent, maintenance and management fees	176,777	121,187
Resources development	127,440	184,080
Professional fees	43,881	44,000
Vehicle maintenance	29,645	40,823
Office expenses	26,480	16,096
Telephone and communication	17,601	9,433
Refreshments	16,217	1,641
Insurance	8,175	6,734
Taxes and fees	7,547	8,650
Gifts	1,661	2,299
	<u>857,585</u>	<u>669,748</u>

* Reclassified

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

Note 13 - Details of Donators over 20,000 NIS

List of donors who donated during 2015 over 20,000 NIS:

<u>Total donations received in the bank</u>	<u>Donations in advance / receivable</u>	<u>Donations turnover</u>	<u>Donor name</u>	
₪177,533	(42,710)	220,243	Broederlijk Delen	1
₪41,600		41,600	CCFD - Terre Solidaire	2
₪20,830		20,830	Luxembourg Ministry for International Development	3
₪293,500		293,500	Christian Aid	4
₪44,318		44,318	Die Schwelle	5
₪330,990		330,990	Foundation of promote Open Society	6
₪115,178		115,178	Dan Church Aid	7
₪245,744		245,744	Foundation Pro Victimis	8
₪346,074	(141,738)	487,811	Misereor	9
₪53,737		53,737	MacMillan	10
₪166,296	(219,170)	385,466	Human Rights and International Humanitarian Law Secretariat	11
₪113,857		113,857	Moriah Fund	12
₪42,000		42,000	medico International	13
₪63,559		63,559	French Consulate to Jerusalem	14
₪39,020		39,020	David Shainok	15
₪192,549		192,549	Basser Arts Foundation	16
₪154,910		154,910	Royal Norwegian Embassy to Tel Aviv	17
₪159,500		159,500	Swiss Federal Department of Foreign Affairs	18
₪296,975		296,975	Sigrid Rausing Trust	19
₪27,503		27,503	Foundation of Middle East Peace	20
₪66,412		66,412	SIVMO	21
₪302,319		302,319	New Israel Fund	22
₪192,500		192,500	Rockefeller Brothers Fund	23
₪384,408	80,303	304,105	Trocaire	24
₪518,321	518,321	-	The European Commission	25

Breaking The Silence Ltd (PBC)
Notes to the Financial Statements
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Note 14 - Details of Donations from a foreign political entity

List of donations received during the 2015 from foreign political entity:

	<u>Donor name</u>	
₪ 177,533	Broederlijk Delen	.1
₪ 115,178	Dan Church Aid	.2
₪ 41,600	CCFD - Terre Solidaire	.3
₪ 63,559	French Consulate to Jerusalem	.4
₪ 346,074	Misereor	.5
₪ 154,910	Royal Norwegian Embassy to Tel Aviv	.6
₪ 518,321	The European Commission	.7
₪ 293,500	Christian Aid	.8
₪ 159,500	Swiss Federal Department of Foreign Affairs	.9
₪ 384,408	Trocaire	.10
₪ 20,830	Luxembourg Ministry for International Development	.11
₪ 42,000	medico International	.12
₪ 166,296	Human Rights and International Humanitarian Law Secretariat	.13