

Breaking The Silence Ltd (PBC)

Financial Statements as of December 31 2019

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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 2019 and 2018, 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 2019 and 2018, 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, 10/5/ 2020

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

		<u>As of December 31</u>	
	<u>Note</u>	<u>2019</u>	<u>2018</u>
<u>Current Assets</u>			
Cash and cash equivalents	3	4,163,302	2,987,026
Debtors and debit balances	4	734,295	461,755
		<u>4,897,597</u>	<u>3,448,781</u>
<u>Non-current Assets</u>			
Fixed Assets, Net	5	225,105	262,353
		<u>5,122,702</u>	<u>3,711,134</u>
<u>Current Liabilities</u>			
Suppliers and service providers	6	273,406	157,344
Creditors and credit balances	7	1,898,565	1,136,093
		<u>2,171,971</u>	<u>1,293,437</u>
<u>Non-current Liabilities</u>			
Provision for severance pay, Net	8	46,274	90,967
<u>Net Assets</u>			
<u>Unrestricted Net Assets</u>			
<u>Used for current activities</u>			
Non designated by nonprofit organization		929,345	814,370
Designated by nonprofit organization	9	1,750,000	1,250,000
		<u>2,679,345</u>	<u>2,064,370</u>
Used for fixed assets		225,105	262,353
		<u>2,904,450</u>	<u>2,326,723</u>
<u>Share Capital</u>	10	7	7
		<u>2,904,457</u>	<u>2,326,730</u>
		<u>5,122,702</u>	<u>3,711,134</u>

07/05/20

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 Activities
In (New Israeli Shekels)

		Year ended December 31	
	<u>Note</u>	<u>2019</u>	<u>2018</u>
Activities turnover		9,229,842	8,400,483
Cost of activities	12	<u>7,268,524</u>	<u>6,658,068</u>
Net income from activities		1,961,318	1,742,415
Administrative and general expenses	13	<u>1,307,766</u>	<u>1,309,796</u>
Net income before financing		653,552	432,619
Financial expenses		<u>75,139</u>	<u>66,306</u>
Net Income before other expenses		578,413	366,313
Other expenses - Capital loss		<u>686</u>	<u>37,194</u>
Net income for the year		<u>577,727</u>	<u>329,119</u>

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)

	Net Assets				Total
	Unrestricted			Restricted	
	Used for activities				
	Non designated by nonprofit organization	Designated by nonprofit organization*	Used for fixed assets	Share Capital	
Balance as of January 1 2018	788,989	1,000,000	208,615	7	1,997,611
<u>Changes during the year</u>					
Net income for the year	329,119	-	-	-	329,119
Amounts designated by nonprofit organizations	(250,000)	250,000	-	-	-
<u>Transfer of unrestricted amounts</u>					
Used for fixed assets	(169,846)	-	169,846	-	-
To cover depreciation expenses	76,114	-	(76,114)	-	-
Amounts released from restrictions	39,994	-	(39,994)	-	-
Balance as of December 31 2018	814,370	1,250,000	262,353	7	2,326,730
<u>Changes during the year</u>					
Net income for the year	577,727	-	-	-	577,727
Amounts designated by nonprofit organizations	(500,000)	500,000	-	-	-
<u>Transfer of unrestricted amounts</u>					
Used for fixed assets	(41,867)	-	41,867	-	-
To cover depreciation expenses	77,729	-	(77,729)	-	-
Amounts released from restrictions	1,386	-	(1,386)	-	-
Balance as of December 31 2019	929,345	1,750,000	225,105	7	2,904,457

* see note 9

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. The official number is 513564724.
- 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 years 2020 and 2021.

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	
	2019	2018
US Dollar	3.456	3.748
CAD	2.654	2.752
EURO	3.879	4.292
GBP	4.560	4.794
CHF	3.575	3.808

F. 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

	As of December 31	
	2019	2018
Cash in the bank - Israeli currency	2,018,827	2,840,221
Cash in the bank - foreign currency	2,016,627	32,372
Cash on hand	88,831	75,429
Short term bank deposits	39,017	39,004
	4,163,302	2,987,026

Note 4 - Debtors and debit balances

	As of December 31	
	2019	2018
Prepaid expenses	3,898	-
Income receivable	730,397	461,755
	734,295	461,755

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 2019	13,000	248,610	521,521	62,334	845,465
Additions during the year	-	5,479	33,284	3,104	41,867
Subtractions during the year	-	-	(2,748)	-	(2,748)
Balance as of December 31 2019	13,000	254,089	552,057	65,438	884,584
<u>Accumulated Depreciation</u>					
Balance as of January 1 2019	8,120	170,987	400,616	3,389	583,112
Depreciation for the year	1,950	10,395	58,874	6,510	77,729
Subtractions during the year	-	-	(1,362)	-	(1,362)
Balance as of December 31 2019	10,070	181,382	458,128	9,899	659,479
Fixed Assets, Net as of December 31 2019	<u>2,930</u>	<u>72,707</u>	<u>93,929</u>	<u>55,539</u>	<u>225,105</u>
Fixed Assets, Net as of December 31 2018	<u>4,880</u>	<u>77,623</u>	<u>120,905</u>	<u>58,945</u>	<u>262,353</u>

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

Note 6 - Suppliers and service providers

	As of December 31	
	2019	2018
Open accounts	53,076	120,136
Checks payable	220,330	37,208
	273,406	157,344

Note 7 - Creditors and credit balances

	As of December 31	
	2019	2018
Prepaid income	1,558,325	726,758
Employees and related institutions	321,988	295,822
Expenses payable	18,252	113,513
	1,898,565	1,136,093

Note 8 - Provision for severance pay, Net

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 - Designated by nonprofit organization

As part of the Company's assessment of the performance in times of emergency, that may result from the loss of strategic donors or a dramatic increase in the Company's expenses, it was determined that the Company must hold a reserve for a period of three months. Therefore, at the Directors Board meeting on July 17, 2016 it was decided that due to the increase in the budget, the company will designate amounts to the organizational reserve until reaching an amount of 2,000,000 NIS.

Note 10 - Share Capital

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

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

Note 11 - Guarantees

The Company has bank guarantees in the amount of NIS 39,000.

Note 12 - Cost of activities

	Year ended December 31	
	2019	2018
Salaries, payments for lecturers and related expenses	3,381,750	2,843,034
Public activity	1,603,470	1,815,142
Tours and transportation	828,806	737,234
Testimony collection and production	752,331	667,898
Legal advice	238,365	176,023
Overseas travel	199,618	152,626
Communication and computing	186,455	189,997
Depreciation	77,729	76,114
	<u>7,268,524</u>	<u>6,658,068</u>

Note 13 - Administrative and general expenses

	Year ended December 31	
	2019	2018
Salaries and related expenses	653,087	642,901
Rent, maintenance and management fees	258,636	316,416
Resources development	133,275	128,021
Professional services	73,993	66,044
Vehicle maintenance	66,015	54,531
Office expenses	18,511	27,264
Taxes and fees	42,646	25,650
Refreshments	28,706	15,112
Telephone and communication	13,368	14,767
Insurance	11,486	11,477
Gifts	8,043	7,613
	<u>1,307,766</u>	<u>1,309,796</u>

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

Note 14 - Details of funds donated in the year 2019

List of funds donated in the year 2019:

<u>Name of fund</u>	<u>Amount</u>
New Israel Fund	2,134,883
NGO Development Center	1,289,812
Danish Representative Office in Ramallah	920,226
UNDP	516,480
Delegation of the European Union to Israel	452,980
Sigrid Rausing Trust	418,095
Swiss Foreign Ministry	402,538
Misereor	389,415
Dan Church Aid	276,789
ZIVIK	215,206
Rockefeller Brothers Fund	213,204
Broderlijk Delen	160,927
AECID	135,745
Pro-Victimis Foundation	129,519
Trocaire	119,087
Bertha Foundation	115,737
Moriah Fund	103,723
CAFOD	94,402
OXFAM	79,344
medico International	58,256
CCFD	37,800
Foundation for Middle East Peace	35,289
SIVMO	34,655
Die Schwelle	20,750

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

Note 15 - Details of Donations from a foreign political entity

List of donations received during the 2019 from foreign state entity:

<u>Name of donor</u>	<u>Amount</u>
NGO Development Center	1,041,812
Danish Representative Office in Ramallah	1,438,231
UNDP	518,400
Delegation of the European Union to Israel	411,749
Misereor	384,155
Swiss Foreign Ministry	301,136
Dan Church Aid	276,790
ZIVIK	215,328
Broderlijk Delen	157,888
AECID	80,551
Trocaire	118,584
CAFOD	94,400
OXFAM	81,028
medico International	120,775
Dutch Representative Office in Ramallah	37,370