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## **Breaking the Silence (CIC)**

### **Financial Statements as of December 31, 2012**

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**Breaking the Silence (CIC)**  
**Financial Statements as of December 31, 2012**

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We have audited the accompanying balance sheets of Breaking the Silence (CIC) (hereafter: "the company") as of December 31, 2012 the statement of activities, the statement of changes in net assets and the statements of cash flows for the year then ended. These financial statements are the responsibility of the Company's Board of Directors. Our responsibility is to express an opinion on these financial statements based on our audits.

Comparison figures for December 31, 2011 and for the year ending on that date, were audited by other accountants who gave an unqualified opinion on September 22, 2012.

We conducted our audits in accordance with generally accepted auditing Standards in Israel, 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 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 statements 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, 2012, and the results of its activities, the changes in net assets and the changes in cash flows for the year then ended according to Generally Accepted Accounting principles (Israeli GAAP).

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

Jerusalem

26.8.19

# Breaking the Silence (CIC)

## Balance Sheets

(New Israeli Shekels)

	<u>Note</u>	<u>As of December 31</u>	
		<u>2012</u>	<u>2011</u>
<b><u>Current Assets</u></b>			
Cash and cash equivalents	3	1,537,107	584,621
Income receivable		176,066	---
		<u>1,713,173</u>	<u>584,621</u>
<b><u>Fixed Assets</u></b>	4	109,968	86,369
<b><u>Other Assets</u></b>	5	106,066	104,598
		<u>1,929,207</u>	<u>775,588</u>
***			
<b><u>Current Liabilities</u></b>			
Suppliers and service providers	6	91,925	57,875
Creditors and credit balances	7	619,580	387,351
		<u>711,505</u>	<u>445,226</u>
<b><u>Long term Liabilities</u></b>			
Provision for severance pay	8	90,892	---
<b><u>Net Assets</u></b>			
<b><u>Unrestricted Net Assets</u></b>			
Used for current activities:		564,910	139,388
Used for fixed assets		216,034	190,967
Share Capital	9	7	7
		<u>780,951</u>	<u>330,362</u>
<b><u>Temporarily Restricted Net Assets</u></b>		<u>345,859</u>	<u>---</u>
		<u>1,126,810</u>	<u>330,362</u>
		<u>1,929,207</u>	<u>775,588</u>

23.5.2013  
Date

  
Chairman of the Board

The attached notes are an integral part of these statements.

## **Breaking the Silence (CIC)**

### **Statements of Activities**

**(New Israeli Shekels)**

	<u>Note</u>	<b>For the Year Ending December 31</b>	
		<u>2012</u>	<u>2011</u>
Activities turnover	10	3,726,988	3,013,024
Cost of activities	11	<u>2,544,665</u>	<u>2,837,606</u>
Net income from activities		1,182,323	175,418
General and administrative expenses	12	<u>666,401</u>	<u>478,507</u>
Net incom (deficit) before financing income		515,922	(303,089)
Net Financing (Income) Expenses	13	<u>5,176</u>	<u>(22,267)</u>
Net income (deficit) before other expenses		510,746	(280,822)
Update of provision for severance pay related to prior years		<u>60,157</u>	<u>---</u>
Net income (deficit) for the year		<u><b>450,589</b></u>	<u><b>(280,822)</b></u>

**The attached notes are an integral part of these statements.**



**Breaking the Silence (CIC)**  
**Statements of Changes in Net Assets**  
**(New Israeli Shekels)**

	<u>Unrestricted Net Assets</u>			<u>Temporarily Restricted Net Assets</u>	<u>Total</u>
	<u>Used for Activities</u>	<u>Used for Fixed Assets</u>	<u>Share Capital</u>		
<b>Balance as of January 1, 2011</b>	422,995	188,182	7	---	611,184
<u>Changes during the year:</u>					
Deficit for the year	(280,822)	---	---	---	(280,822)
Designated income	---	---	---	2,860,212	2,860,212
<u>Amounts released from restrictions -</u>					
For activities -	---	---	---	(2,860,212)	(2,860,212)
<u>Transfer of unrestricted amounts-</u>					
Used for fixed and other assets	(48,451)	48,451	---	---	---
Amounts transferred to cover depreciation expenses	45,666	(45,666)	---	---	---
<b>Balance as of December 31, 2011</b>	<b>139,388</b>	<b>190,967</b>	<b>7</b>	<b>---</b>	<b>330,362</b>
<u>Changes during the year:</u>					
Net income for the year	450,589	---	---	---	450,589
Designated income	---	---	---	3,219,422	3,219,422
<u>Amounts released from restrictions -</u>					
For activities -	---	---	---	(2,873,563)	(2,873,563)
<u>Transfer of unrestricted amounts-</u>					
Used for fixed and other assets	(80,537)	80,537	---	---	---
Amounts transferred to cover depreciation expenses	55,470	(55,470)	---	---	---
<b>Balance as of December 31, 2012</b>	<b>564,910</b>	<b>216,034</b>	<b>7</b>	<b>345,859</b>	<b>1,126,810</b>

The attached notes are an integral part of these statements.

**Breaking the Silence (CIC)**

**Statements of Cash Flows**

**(New Israeli Shekels)**

	<b>For the Year Ending December 31</b>	
	<b>2012</b>	<b>2011</b>
<b><u>Cash Flow from Current Activities:</u></b>		
Net income (deficit) for the year	450,589	(280,822)
Necessary Reconciliations to show cash flow from current activities (see below)	236,575	245,549
	<b>687,164</b>	<b>(35,273)</b>
<b><u>Cash Flow from Investing Activities:</u></b>		
Purchase of fixed assets	(80,537)	(48,451)
<b><u>Cash Flow from Financial Activities:</u></b>		
Changes in temporary restricted net assets	345,859	---
Increase (decrease) in cash and cash equivalents	952,486	(83,724)
Cash and cash equivalents at the beginning of the year	584,621	668,345
Cash and cash equivalents at the End of the year	<b>1,537,107</b>	<b>584,621</b>
<b><u>Necessary Reconciliations to Show Cash Flow from Current Activities</u></b>		
Depreciation	55,470	45,666
Increase (decrease) in provision for severance pay	90,892	---
<b><u>Changes in Current Assets and Liabilities</u></b>		
Decrease (increase) in debtors and debit balances	(176,066)	32,107
Increase (decrease) in Suppliers and service providers	34,050	(9,402)
Increase (decrease) in creditors and credit balances	232,229	177,178
	<b>236,575</b>	<b>245,549</b>

**The attached notes are an integral part of these statements.**

## Breaking the Silence (CIC)

### Notes to the Financial Statements

(New Israeli Shekels)

#### Note 1 - General

- A. Breaking the Silence (CIC) (hereafter: "the company") was established in July 2004. The company's work is in documentation and publication of evidence of IDF soldiers during military operations and trying to fight and prevent human rights violations against the
- 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:

Furniture and equipment	7% - 33%
Vehicles	15%

E. Other Assets

Other assets are stated at cost less cumulative depreciation. The depreciation is calculated according to an annual equal rate over the estimated useful lives of the assets, as follows.

Website	10% - 33%
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F. 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:

	<u>As of December 31</u>	
	<u>2012</u>	<u>2011</u>
US Dollar	3.7330	3.8210
EURO	4.9206	4.9381
Pound	6.0365	5.8918
CAD	3.7496	3.7395



# Breaking the Silence (CIC)

## Notes to the Financial Statements

(New Israeli Shekels)

<u>Note 3 -</u>	<u>Cash and Cash Equivalents</u>	<u>As of December 31</u>	
		<u>2012</u>	<u>2011</u>
	Cash on hand and in banks- Israeli currency	976,161	560,006
	Cash on hand and in banks- Foreign currency	555,194	18,875
	Short term bank deposits	5,752	5,740
		<u>1,537,107</u>	<u>584,621</u>

  

<u>Note 4 -</u>	<u>Fixed Assets</u>	<u>Cost</u>	<u>Cumulative Depreciation</u>	<u>Depreciated Cost As of December 31</u>	
				<u>2012</u>	<u>2011</u>
	Furniture and equipment	248,701	146,041	102,660	77,666
	Vehicles	9,300	1,992	7,308	8,703
		<u>258,001</u>	<u>148,033</u>	<u>109,968</u>	<u>86,369</u>

  

<u>Note 5 -</u>	<u>Other Assets</u>				
	Website	<u>164,826</u>	<u>58,760</u>	<u>106,066</u>	<u>104,598</u>

  

<u>Note 6 -</u>	<u>Suppliers and service providers</u>	<u>As of December 31</u>	
		<u>2012</u>	<u>2011</u>
	Open accounts	13,670	35,668
	Checks payable	78,255	22,207
		<u>91,925</u>	<u>57,875</u>

  

<u>Note 7 -</u>	<u>Creditors and Credit Balances</u>	<u>As of December 31</u>	
		<u>2012</u>	<u>2011</u>
	Advance income	425,007	293,572
	Expenses payable	106,118	11,000
	Employees and related institutions	88,455	82,779
		<u>619,580</u>	<u>387,351</u>

## Breaking the Silence (CIC)

### Notes to the Financial Statements

(New Israeli Shekels)

**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**

Regular Shares at 1 NIS par value

<u>Registered</u>	<u>Issued and Paid</u>
<u>100</u>	<u>7</u>

**Note 10 - Activities Turnover**

Donations and grants  
Amounts released from restrictions for activities

<u>For the Year Ending December 31</u>	
<u>2012</u>	<u>2011</u>
853,425	152,812 *
<u>2,873,563</u>	<u>2,860,212 *</u>
<u>3,726,988</u>	<u>3,013,024</u>

**Note 11 - Cost of Activities**

Salaries and related expenses  
Tours and transportation  
Photographs, prints and exhibitions  
Legal fees  
Publication and dissemination of information  
Development  
Travel abroad  
Depreciation  
Other expenses

1,051,126	1,144,715
807,234	946,125
283,123	384,923
128,698	78,388
72,759	144,731
70,387	---
59,674	78,213
55,470	45,666
<u>16,194</u>	<u>14,845</u>
<u>2,544,665</u>	<u>2,837,606</u>

\* Reclassified

**Breaking the Silence (CIC)**  
**Notes to the Financial Statements**  
**(New Israeli Shekels)**

		<b>For the Year Ending</b>	
		<b>December 31</b>	
<b><u>Note 12 -</u></b>	<b><u>General and Administrative Expenses</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>
	Salaries and related expenses	224,608	245,279
	Vehicle maintenance	133,269	65,790
	Transportation	113,434	14,693
	Office rent	69,257	28,420
	Professional fees	39,002	43,888
	Telephone and postage	31,647	5,036
	Office expenses and maintenance	20,915	36,957
	Bank fees	14,487	11,473
	Refreshments	13,596	5,449
	Taxes and fees	6,186	21,522
		<b><u>666,401</u></b>	<b><u>478,507</u></b>
<b><u>Note 13 -</u></b>	<b><u>Net Financing (Income) Expenses</u></b>		
	Exchange differentials	5,588	(22,267)
	Interest from Deposits	(412)	---
		<b><u>5,176</u></b>	<b><u>(22,267)</u></b>

## **Breaking the Silence (CIC)**

### **Notes to the Financial Statements**

**(New Israeli Shekels)**

#### **Note 14 - Details of Donators over 20,000 NIS**

##### **Donations Recorded in the Statement of Activities:**

<b><u>Donor's name</u></b>		<b>For the Year Ending</b>
		<b><u>December 31</u></b>
		<b><u>2012</u></b>
1.	ICCO	153,541
2.	Sigrid Rausing Trust	141,322
3.	Dan Church Aid	135,292
4.	SIVMO	99,561
5.	Foundation Open Society Institute	82,583
6.	Mac Milan	33,615
7.	Foundation for Middle East Peace	28,260

##### **Donations recorded in the Statement of Changes in Net Assets :**

1.	AECID	855,843
2.	Delegation of the EU to Israel	562,526
3.	Shomry Mishpat - Rabbis for human rights	240,835
4.	NGO Development Center (NDC)	238,501
5.	Misereor	157,017
6.	Royal Norwegian Embassy Tel Aviv	148,315
7.	Moriah Fund	133,029
8.	UNICEF	110,900
9.	Fofd Foundation	91,785
10.	New Israel Fund	84,915
11.	Network of Social Change	81,318
12.	Trocaire	76,022
13.	Christian Aid	67,589
14.	Oxfam GB	25,000

##### **Donations recorded in Advance Income:**

1.	Sigrid Rausing Trust	157,150
2.	Rockefeller Brothers Fund	152,240
3.	Foundation Open Society Institute	115,617



**Breaking the Silence (CIC)**

**Notes to the Financial Statements**

**(New Israeli Shekels)**

**Note 15 - Details of Donatation over 20,000 NIS from a foreign political entity**

**Donor's name**

1.	AECID	855,843
2.	Delegation of the EU to Israel	444,871
3.	NGO Development Center (NDC)	238,501
4.	Misereor	157,017
5.	ICCO	153,541
6.	Royal Norwegian Embassy Tel Aviv	148,315
7.	Dan Church Aid	135,292
8.	UNICEF	110,900
9.	Trocaire	76,022
10.	Christian Aid	67,589