

**Be-Atzmi (RA)**  
**Financial Statements**  
**As At December 31, 2019**



**Financial Statements as at December 31, 2019**

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**Auditors' Report to the Board of Directors of  
Be-Atzmi (RA)**

We have audited the accompanying balance sheets of Be-Atzmi (RA) (hereinafter – “the Organization”) as at December 31, 2019 and 2018, and the related statements of activities, statement of changes in net assets and statements of cash flows for each of the years ended on such dates. These financial statements are the responsibility of the Organization’s Board and of its Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Israel, including standards prescribed by the Auditors Regulations (Auditor's Mode of Performance), 1973. Such 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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Board and Management of the Organization, as well as evaluating the overall financial statement presentation. We believe that our audit provides 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 Organization as at December 31, 2019 and 2018 and the results of its activities, changes in net assets and its cash flows for each of the years ended on such dates, in conformity with generally accepted accounting principles in Israel (Israeli GAAP).

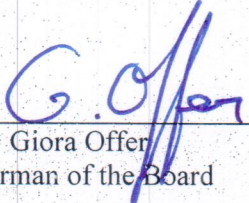
Somekh Chaikin  
Certified Public Accountants (Isr.)  
Honorary Auditors

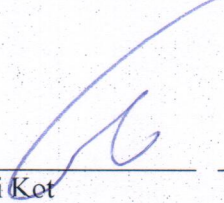
July 2, 2020

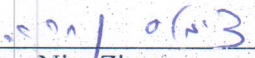


## Balance Sheets as at December 31

	Note	2019 NIS	2018 NIS
<b>Current assets</b>			
Cash and cash equivalents		5,093,358	1,497,587
Marketable securities		7,182,555	9,260,606
Other receivables	3	6,290,390	3,548,490
<b>Total current assets</b>		<b>18,566,303</b>	<b>14,306,683</b>
<b>Fixed and other assets, net</b>	4	<b>280,374</b>	<b>296,416</b>
<b>Total assets</b>		<b>18,846,677</b>	<b>14,603,099</b>
<b>Current liabilities</b>			
Checks payable		27,112	17,405
Trade payables		4,213,723	1,236,349
Other payables	5	3,074,280	2,010,808
<b>Total current liabilities</b>		<b>7,315,115</b>	<b>3,264,562</b>
<b>Long-term liabilities</b>			
Liability for employee severance benefits, net	6	87,701	86,742
<b>Total liabilities</b>		<b>7,402,816</b>	<b>3,351,304</b>
<b>Net assets not subject to restriction</b>			
Designated		4,160,000	6,500,351
Undesignated		6,070,757	2,597,168
Applied to fixed assets		280,374	296,416
		<b>10,511,131</b>	<b>10,393,935</b>
<b>Net assets subject to restriction</b>			
Net assets subject to temporary restriction		932,730	857,860
<b>Total net assets</b>		<b>11,443,861</b>	<b>11,251,795</b>
<b>Total liabilities and net assets</b>		<b>18,846,677</b>	<b>14,603,099</b>

  
Giora Offer  
Chairman of the Board

  
Shlomi Kot  
Chairman of Finance Committee

  
Nira Zimeis  
CEO

Date of approval of the financial statements: July 2, 2020

The accompanying notes are an integral part of these financial statements.



**Statements of Activities for the Year Ended December 31**

	Note	2019 NIS	2018 NIS
Revenue from activities	7	31,379,662	23,770,367
Cost of activities	8	29,389,085	23,043,705
<b>Net revenue (expenses) from activities</b>		<u>1,990,577</u>	726,662
General and administrative expenses	9	2,250,566	1,875,638
Net expenses before financing		(259,989)	(1,148,976)
Financing income (expenses), net		377,185	(220,948)
<b>Surplus (deficit) for the year</b>		<u>117,196</u>	<u>(1,369,924)</u>

**Additional information –**

A. Composition of revenue from activities executed in the reporting year:

<b>Revenue from activities – from external sources</b>	31,379,662	23,770,367
Revenue from activities from internal sources designated by management	1,840,000	2,180,000
<b>Total revenue from activities</b>	<u>33,219,662</u>	<u>25,950,367</u>

B. Net revenue from activities executed in the reporting year:

<b>Surplus (deficit) for the year</b>	117,196	(1,369,924)
Revenue from activities from internal sources designated by management	1,840,000	2,180,000
<b>Total net revenues from activities executed</b>	<u>1,957,196</u>	<u>810,076</u>

The accompanying notes are an integral part of these financial statements.



### Statements of Changes in Net Assets

	Net assets not subject to restriction			Net assets subject to temporary restriction	Total
	Not designated by management	Designated by management **	Applied to fixed assets		
	NIS	NIS	NIS		
Balance as at January 1, 2018	8,710,311	2,680,351	373,197	764,945	12,528,804
Excess expenses over income for the year	(1,369,924)	-	-	-	(1,369,924)
Donations	-	-	-	3,396,040	3,396,040
Amounts transferred for the purchase of fixed assets	(35,786)	-	35,786	-	-
Amounts transferred to cover depreciation expenses	112,567	-	(112,567)	-	-
Amounts released from restriction	-	-	-	(3,303,125)	(3,303,125)
Amounts designated by management**	(6,000,000)	6,000,000	-	-	-
Amounts designated by management in prior periods that their designation was cancelled*	2,180,000	(2,180,000)	-	-	-
Balance as at December 31, 2018	3,597,168	6,500,351	296,416	857,860	11,251,795
Excess expenses over income for the year	117,196	-	-	-	117,196
Donations	-	-	-	3,684,816	3,684,816
Amounts transferred for the purchase of fixed assets	(101,200)	-	101,200	-	-
Amounts transferred to cover depreciation expenses	117,242	-	(117,242)	-	-
Amounts released from restriction	-	-	-	(3,609,946)	(3,609,946)
Amounts designated by management in prior periods that their designation was cancelled*	500,351	(500,351)	-	-	-
Amounts designated by management in prior periods that their designation was cancelled*	1,840,000	(1,840,000)	-	-	-
Balance as at December 31, 2019	6,070,757	4,160,000	280,374	932,730	11,443,861

The accompanying notes are an integral part of these financial statements.



**Statements of Changes in Net Assets**

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- \* In the minutes of the Board meeting from December 29, 2015, the Board approved using excess income of NIS 6 million over a three-year period. NIS 5.5 million of the designated amount was used in 2016-2018. Designation of the unused balance in the amount of NIS 500,351 was cancelled in 2019.
- \*\* In the minutes of the Board meeting from December 20, 2018, the Board approved using additional excess income in the amount of NIS 6 million over a three-year period. The amount is based on retained earnings less a safety cushion. NIS 1.84 million of the designated amount was used in 2019.

The accompanying notes are an integral part of these financial statements.



**Statements of Cash Flows for the Year Ended December 31**

	<u>2019</u>	<u>2018</u>
	NIS	NIS
<b>Cash flows from operating activities</b>		
Excess expenses over income for the year	117,196	(1,369,924)
Adjustments to reconcile net expenses to net cash from operating activities – Appendix A	<u>1,426,854</u>	<u>(1,301,784)</u>
<b>Net cash used in operating activities</b>	<u>1,544,050</u>	<u>(2,671,708)</u>
<b>Cash flows from investing activities</b>		
Change in marketable securities, net	2,078,051	196,356
Purchase of fixed assets	<u>(101,200)</u>	<u>(35,786)</u>
<b>Net cash from (used in) investing activities</b>	<u>1,976,851</u>	<u>160,570</u>
<b>Cash flows from financing activities</b>		
Increase (decrease) in donations subject to temporary restriction	<u>74,870</u>	92,915
<b>Net cash from (used in) financing activities</b>	<u>74,870</u>	92,915
<b>Increase (decrease) in cash and cash equivalents</b>	<b>3,595,771</b>	<b>(2,418,223)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<u>1,497,587</u>	<u>3,915,810</u>
<b>Cash and cash equivalents at the end of the year</b>	<u><b>5,093,358</b></u>	<u><b>1,497,587</b></u>

The accompanying notes are an integral part of these financial statements.



**Statements of Cash Flows for the Year Ended December 31**

	2019	2018
	NIS	NIS
<b>Appendix A - Adjustments to reconcile net expenses to net cash from operating activities</b>		
<u>Income and expenses not involving cash flows:</u>		
Depreciation	117,242	112,567
<u>Changes in asset and liability items:</u>		
Decrease (increase) in other receivables	(2,741,900)	(1,273,792)
Decrease in trade payables	9,707	(54,543)
Decrease in checks payable	2,977,374	(20,567)
Decrease in other payables	1,063,472	(60,628)
Increase in severance pay	959	5,179
	<u>1,426,854</u>	<u>(1,301,784)</u>

**Appendix B – Non-cash activity**

In the minutes of the Board meeting from December 20, 2018, the Board approved using excess income of NIS 6 million over a three-year period. The amount is based on retained earnings less a safety cushion. NIS 1.84 million of the designated amount was used in 2019.

The accompanying notes are an integral part of these financial statements.