

July 19, 2022

To: Board of Zochrot (Registered Non-Profit Organization)
2 Ben Zvi St. Tel Aviv

To whom it may concern,
I have audited the accounts of Zochrot (registered non-profit organization; hereafter, "the Association") as of December 31, 2021, and 2020, and hereby present its financial reports together with my professional opinion, as follows:

1. Auditors' Report to the Members of the Association.....	2
2. Balance sheets for December 31, 2021 and 2020.....	3
3. Report on activities for the years ending on December 31, 2021 and 2020.....	5
4. Report on changes in net assets	6
5. Notes to financial statements	7

Annex: Depreciation Form No. 11

Sincerely,

Qais Tibi, CPA

**Auditor's Report to the Members of
Zochrot (Registered Non-Profit Organization)**

I have audited the attached balance sheets for Zochrot (registered non-profit organization; hereafter, "the Association") as of December 31, 2021, and 2020, and the related statements of activities and changes in net assets for each of the years ending on those dates. These financial statements are the responsibility of the Association's board of directors and management. My responsibility is to express an opinion on these financial statements based on my review.

I have conducted my audit in accordance with generally accepted auditing standards in Israel, including those prescribed by the Auditors' Regulations (Auditor's Mode of Performance, 5733-1973). Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes a sample examination of 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 of directors and management, as well as evaluating the overall appropriateness of the financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, these financial statements provide an accurate reflection, from all aspects material to non-profit corporations, of the Association's financial status as of December 31, 2021 and 2020, and the results of its activities, changes in net assets and cash flows for each of the years ending on said dates, according to the accepted accounting rules in Israel (Israeli GAAP).

Qais Tibi, CPA

Tel Aviv, July 19, 2022



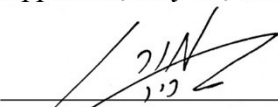
		<u>December 31</u>	
	<u>Note</u>	<u>2020</u>	<u>2021</u>
<u>Current Assets</u>			
Cash and cash equivalents		351,788	298,673
Donations to receive		6,720	7,865
Other debtors and debt balances		3,700	5,450
Total Current Assets		362,208	311,988
Permanent Assets	3	2,876	80,150
Total Assets		<u>365,084</u>	<u>392,138</u>

The attached notes comprise an integral part of the financial reports.

	<u>December 31</u>		
	<u>Note</u>	<u>2020</u>	<u>2021</u>
Current Liabilities			
Suppliers		16,333	44,159
Creditors and credit balances		20,357	30,164
Total Current Liabilities		<u>36,690</u>	<u>74,323</u>
<u>Long-Term Liabilities</u>			
Reserves for employees' severance benefits		25,532	25,532
<u>Total Liabilities</u>		<u>62,222</u>	<u>99,855</u>
<u>Net Assets</u>			
Unrestricted for use in activities:			
Designated by Association bodies		70,000	86,047
Not designated by Association bodies		<u>229,986</u>	<u>126,086</u>
Used for permanent assets		<u>299,986</u>	<u>212,133</u>
Restricted net assets:		<u>2,876</u>	<u>80,150</u>
Total Net Assets		<u>302,862</u>	<u>292,283</u>
Total Net Liabilities and Assets		<u>365,084</u>	<u>392,138</u>

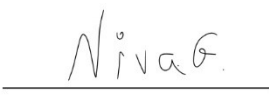
The attached notes comprise an integral part of the financial reports.

Approved, July 19, 2022



 Member of the Board

Barir Moran



 Member of the Board

Niva Grunzweig

		December 31	
		<u>2020</u>	<u>2021</u>
	<u>Note</u>		
<u>Turnover</u>			
Donations	4	1,232,670	1,183,513
Revenues from services		15,636	23,278
Total Turnover		<u>1,248,306</u>	<u>1,206,791</u>
<u>Cost of Activities</u>			
	5	(733,864)	(994,816)
Net Revenues from Activities		<u>514,442</u>	<u>211,975</u>
Management & general expenses	6	(181,816)	(204,482)
Net Expenses before Financing		<u>332,626</u>	<u>7,493</u>
Net financing expenses		(14,362)	(18,072)
Net Expenses after Financing	7	<u>318,264</u>	<u>(10,579)</u>

The attached notes comprise an integral part of the financial reports.

	Unrestricted		Restricted			TOTAL
	For use in activities	For use as permanent assets	Temporarily restricted	Permanently restricted	Designated by Association bodies	
Balance, Jan 1, 2020	(227,707)	12,305			200,000	(15,402)
Net revenues (deficit) for the year	318,264					318,264
Transfer of unrestricted amounts used for permanent assets	130,000				(130,000)	
Amounts transferred to cover amortization costs	9,429	(9,429)				
Balance, Dec. 31, 2020	229,986	2,876			70,000	302,862
Net revenues (deficit) for the year	(10,579)					(10,579)
Amounts transfer of Designated by Association bodies	(16,047)				16047	
Transfer of unrestricted amounts used for permanent assets	(82,426)	82,426				
Amounts transferred to cover amortization costs	5,152	(5,152)				
Balance, Dec. 31, 2021	126,086	77,274			86,074	292,283

The attached notes comprise an integral part of the financial reports.

Note 1 – General

- A. The Association promotes a public discourse that is open to diverse histories and develops educational programs to further pluralism in Israel
- B. The Association is registered according to law as a Non-Profit Organization. It was incorporated and registered according to law on February 25, 2002, and was assigned Association No. 58-038952-6 by the Israeli Registrar of Associations.
- C. The Association's revenues derive mostly from foreign entities and institutes.

Note 2 – Accounting Policy Principles

The accounting policy principles consistently applied in compiling this financial statement are as follows:

1. Starting point for preparation of financial reports

The Association has compiled its financial reports based on Opinion 69 on "Accounting and Financial Reporting Rules for Non-Profit Organizations" of the Institute of Certified Public Accountants in Israel (hereafter, Opinion 69).

The financial reports are presented in terms of reported amounts as required by Accounting Standards 12 & 17 of the Israel Accounting Standards Board. A reported amount is a nominal amount adjusted to changes in the consumer price index until the index of December 2003, plus nominal amounts added after the date of transition (December 31, 2003), and minus amounts deducted thereafter.

2. Revenues and expenses

- 2.1 The Association records all its expenses and revenues on an accumulative basis.
- 2.2 The financial reports are based on Opinion 69.

3. Permanent assets

- 3.1 Permanent assets are presented on a cost basis.
- 3.2 Amortization is calculated according to the straight-line basis at annual rates considered sufficient for amortizing the assets based on their estimated usage period.
- 3.3 Amortization rates – between 7 and 33 percent.

4. Negotiable securities are presented by their market value on balance date.

5. Net assets

According to Opinion 69, the Association's net assets are presented as follows:

- Unrestricted net assets used for current activities – for the Association's current activities.
- Unrestricted net assets used for permanent property – for amounts designated for permanent property (including purchases and amortization expenses)
- Temporarily restricted net assets – for a charity fund run by the Association that is designated for special purposes.

6. Liabilities for termination of employee-employer relations

The association regularly deposits amounts to cover its liabilities for severance payments in executive insurance policies and pension plans.

Note 3 – Permanent assets

	Reduced Cost		Accumulated	Cost, Dec. 31
	Dec. 31		amortization	
	2020	2021	Dec. 31/ 2021	2021
Office Equipment & Furniture	2,876	11,966	50,090	62,056
Computers & Electronics	-	-	98,553	98,553
Website & Application	-	68,184	3,272	71,456

Note 4 – Donations

	December 31	
	2020	2021
MISEREOR	180,856	218,183
CHRISTIAN AID	221,592	109,840
MCC	33,962	32,013
HEKS EDUCATION	71,749	-
HEKS EPER	-	136,996
KURVE WASTROW	-	319,395
St. HET		
HILIDARITEITSFONDS	57,002	58,286
VARIOUS DONTITION	254,010	95,754
EMHR	153,892	-
2 additional ad hoc	20,056	-
AFSC	34,335	32,328
IHL TRUST	106,685	137,021
KLEIDOSCOPE FOUNDATION	19,906	-
SPARKPLUG	47,348	-
HAELLA	7,834	9,777
SIVMO	8,003	6,919
ROSA LUXEMBURG		
STIFTUNG	-	27,001
BSST	15,440	-
	<u>1,232,670</u>	<u>1,183,513</u>

Note 5 – Activity costs

	December 31	
	2020	2021
Salaries & related expenses	(609,276)	(825,446)
Printing, proofreading and graphic design	(29,722)	(9,288)
Travel & transportation to tours & events	(7,609)	-
Exhibits & photographs	(1,912)	-
Rent & art gallery maintenance	(22,137)	(44,400)
Business meals	(3,060)	-
Utilities	(5,208)	-
Advertising & media PR	(1,384)	-
Website development & maintenance	(21,768)	-
Fundraising		
Resource Recruitment	(31,788)	-
Media, Advocacy & Public operation	-	(21,803)
Application	-	(5,587)
Community & Education	-	(75,356)
Organizational development	-	(12,936)
	<u>(733,864)</u>	<u>(994,816)</u>

Note 6 - Administrative and general expenses

	December 31	
	2020	2021
Management salaries & related expenses	(128,646)	(149,918)
Municipal taxes and maintenance	(1,361)	-
Communication	(3,328)	(69)
Electricity and fees	(226)	(1,133)
Office expenses	(4,684)	(8,044)
Accounting & auditing	(19,305)	(26,570)
Professional services	(7,672)	(400)
Insurances	(7,165)	(8,826)
Business meal	-	(4,370)
Depreciation expenses	(9,429)	(5,152)
	<u>(181,816)</u>	<u>(204,482)</u>

Note 7 – Financing, Net

	December 31	
	2020	2021
Interest & Commission	(3,100)	(2,627)
Defrayment commission	(6,052)	(4,748)
Exchange rate difference	(5,210)	(10,679)
	<u>(14,362)</u>	<u>(18,072)</u>