

# **Zochrot**

**Israeli Registered Non-profit Organization  
Registration No: 580389526**

## **Financial Report**

**As of 31 December 2017**

Audit by: Zirler Moshe – Certified Public Accountant

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June 12, 2018

To: Board of Zochrot (Registered Non-Profit Organization)  
34 Yitzhak Sade St. Tel Aviv

To whom it may concern,

I have audited accounts of Zochrot (registered non-profit organization; hereafter, "the Association") as of December 31, 2017, and 2016, and hereby present its financial reports together with my professional opinion, as follows:

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Sincerely,

  
Zirler Moshe, 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, 2017, and 2016, 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, except for excluding the information referred to in the above paragraph, these financial statements provide an accurate reflection, according to accepted accounting standards and in all material respects relevant to non-profit organizations, the Association's financial status as of December 31, 2017 and 2016, and the results of its activities, changes in net assets and cash flows for each of the years ending on said dates – in nominal values.

  
**Zirler Moshe, CPA**

**Tel Aviv, June 12, 2018**

**Zochrot (registered non-profit)  
Balance Sheets  
(NIS)**

		<u>December 31</u>	
	<u>Note</u>	<u>2016</u>	<u>2017</u>
<b><u>Current Assets</u></b>			
Cash and cash equivalents	3	508,226	241,898
Donations, allocations and grants receivable		—	97,000 ...
Other debtors and debt balances	4	3,016	16,519
<b>Total Current Assets</b>		<u>511,242</u>	<u>355,417</u>
<b>Permanent Assets</b>	5	<u>41,195</u>	<u>29,574</u>
<b>Total Assets</b>		<u>552,437</u> =====	<u>384,991</u> =====

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


**Zochrot (registered non-profit)**  
**Balance Sheets**  
**(NIS)**

**December 31**

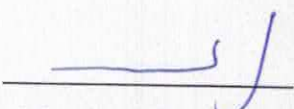
	<b><u>Note</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>
<b>Current Liabilities</b>			
Suppliers		35,386	22,432
Creditors and credit balances	6	147,213	115,418
<b>Total Current Liabilities</b>		182,599	137,850
<b><u>Long-Term Liabilities</u></b>			
Reserves for employees' severance benefits		25,397	25,532
<b><u>Total Liabilities</u></b>		207,996	163,382
<b><u>Net Assets</u></b>			
Unrestricted for use in activities:			
Designated by Association bodies		200,000	200,000
Not designated by Association bodies		103,246	(7,965)
Used for permanent assets		41,195	29,574
		344,441	221,609
Restricted net assets:			
<b>Total Net Assets</b>		344,441	221,609
<b>Total Net Liabilities and Assets</b>		552,437	384,991

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

Approved, June 12, 2018

  
 Member of the Board

Dr. Tom Pessah

  
 Member of the Board

Noga Kadman

**Zochrot (registered non-profit)**  
**Report on Activities**  
**NIS**

		December 31	
		<u>2016</u>	<u>2017</u>
	<u>Note</u>		
<b><u>Turnover</u></b>			
Donations	7	1,650,432	1,698,681
Revenues from services		21,056	59,473
<b>Total Turnover</b>		<b>1,671,488</b>	<b>1,758,154</b>
<b><u>Cost of Activities</u></b>			
	8	1,492,153	1,553,617
<b>Net Revenues from Activities</b>		<b>179,335</b>	<b>204,537</b>
Management & general expenses	9	548,958	321,995
<b>Net Expenses before Financing</b>		<b>(369,623)</b>	<b>(117,458)</b>
Net financing expenses		(19,729)	(5,374)
<b>Net Expenses after Financing</b>		<b>(389,352)</b>	<b>(122,832)</b>

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

**Zochrot (registered non-profit)  
Report on Changes in Net Assets**

	Unrestricted		Restricted			TOTAL
	For use in activities	For use as permanent assets	Temporarily restricted	Permanently restricted	Designated by Association bodies	
<b>Balance, Jan 1, 2016</b>	481,170	52,623	-----	-----	200,000	<b>733,793</b>
Net revenues (deficit) for the year	(389,352)					(389,352)
Transfer of unrestricted amounts used for permanent assets	(3,174)	3,174				-
Amounts transferred to cover amortization costs	14,602	(14,602)				-
<b>Balance, Dec. 31, 2016</b>	103,246	41,195			200,000	344,441
Net revenues (deficit) for the year	(122,832)					(122,832)
Transfer of unrestricted amounts used for permanent assets	(1,894)	1,894				-
Amounts transferred to cover amortization costs	13,515	(13,515)				
<b>Balance, Dec. 31, 2017</b>	(7,965)	29,574			200,000	<b>221,609</b>

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

**Zochrot (registered non-profit)  
Notes on Financial Statement**

**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.



**Zochrot (registered non-profit)**  
**Notes on Financial Statement**

**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 – Cash and cash equivalents**

	December 31	
	2016	2017
Cash in Israeli currency	281,588	40,383
Cash in foreign currency	638	1,514
Deposits	226,000	200,001
	508,226	241,898

**Note 4 - Various debtors and debt balances**

	December 31	
	2016	2017
Advance expenses	3,016	—
Employees	—	16,519
	3,016	16,519

**Note 5 – Permanent assets**

	December 31			
	Amortized Cost		Accumulated Amortization	Cost
	2016	2017	2017	2017
Office equipment & furniture	12,977	12,418	38,758	51,176
Computers & electronics	28,218	17,156	79,307	96,463
	41,195	29,574	118,065	147,639

**Zochrot (registered non-profit)**  
**Notes on Financial Statement**

**Note 6 – Various creditors and credit balances**

	December 31	
	2016	2017
Expenses payable	13,772	12,285
Institutes	360	—
Employees	56,347	1,536
Institutes for pay	76,734	27,808
Advance revenues	—	73,789
	<b>147,213</b>	<b>115,418</b>

**Note 7 – Donations**

	December 31	
	2016	2017
Misereor	314,168	152,716
Broderlijk Delen	275,930	19,984
Christian Aid	256,259	263,591
HEKS/EPER	215,000	—
CCFD	149,375	163,557
Stichting het Solidariteitsfonds	108,515	—
MCC	98,569	91,600
THL Trust	90,657	—
Finn Church Aid	68,413	—
AFSC	38,580	54,245
Various Donors	34,966	—
HEKS Badil	—	204,000
HEKS Core	—	40,000
HEKS Education	—	255,937
HEKS ODNA	—	228,611
Harold – Private Donor	—	42,552
Rockefeller Foundation	—	71,739
Stichting het Solidariteitsfonds	—	97,533
Various Donors	—	12,616
	<b>1,650,432</b>	<b>1,698,681</b>
	=====	=====

**Zochrot (registered non-profit)**  
**Notes on Financial Statement**

**Note 8 – Activity costs**

	December 31	
	2016	2017
Salaries & related expenses	1,023,711	1,111,966
Printing, proofreading and graphic design	243,363	72,358
Travel & transportation to tours & events	22,843	36,210
Lectures	42,051	20,120
Exhibits & photographs	5,496	12,051
Rent & art gallery maintenance	117,500	120,632
Professional consulting	11,383	7,342
IT & other equipment maintenance	5,130	—
Art scholarships	16,360	15,999
Catering in lectures & conferences	4,316	10,418
Program production	—	81,480
Various operating costs	—	14,494
Advertising & media PR	—	19,575
Website development & maintenance	—	30,972
	1,492,153	1,553,617
	1,492,153	1,553,617

**Note 9 - Administrative and general expenses**

	December 31	
	2016	2017
Management salaries & related expenses	334,348	201,371
Municipal taxes and maintenance	47,245	44,907
Communication	19,909	4,726
Electricity and fees	15,282	8,960
Office expenses	58,489	15,499
Accounting and auditing	23,386	22,178
Professional services	177	1,702
Refreshments, gifts, donations	11,004	—
Insurances	6,127	9,137
Transportation and parking	10,216	—
Fees and taxes	2,376	—
Amortization costs	14,602	13,515
Staff cohesion activities	2,925	—
Professional literature & further education	2,872	—
	548,958	321,995
	548,958	321,995