

Kav Laoved – Worker's Hotline
(Registered Amuta)

FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2022

Kav Laoved – Worker's Hotline
(Registered Amuta)

FINANCIAL STATEMENTS

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**AUDITORS' REPORT TO THE MEMBERS OF
KAV LAOVED - WORKER'S HOTLINE (R.A.)**

We have audited the accompanying Statement of Financial Position of Kav Laoved - Worker's Hotline (R.A.) (hereinafter: "the Amuta") as of December 31, 2022 and 2021, and the Statements of Activities, Changes in Net Assets and Cash Flows for each of years then ended. These financial statements are the responsibility of the members of the committee and the management of the Amuta. 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 under the Auditor's Regulations (Auditor's Mode of Performance), 1973. These standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, 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 members of the committee and the management of the Amuta, 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 Amuta as of December 31, 2022 and 2021, and the results of its operations, the changes in its net assets and the cash flows for each of two years then ended, in conformity with generally accepted accounting principles in Israel (Israeli GAAP).

Jerusalem, September 12, 2023


Ziv Haft

Certified Public Accountants (Isr.)

Kav Laoved – Worker's Hotline (R.A.)

Statement of Financial Position (in NIS)

| | <u>Note</u> | <u>31.12.2022</u> | <u>31.12.2021</u> |
|--|-------------|-------------------|-------------------|
| <u>ASSETS</u> | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | | 1,881,915 | 1,648,545 |
| Income receivable | 3 | 322,623 | 449,269 |
| Debtors and debit balances | 4 | 33,376 | 40,145 |
| | | <u>2,237,914</u> | <u>2,137,959</u> |
| NON - CURRENT ASSETS | | | |
| Fixed assets, net | 5 | <u>21,656</u> | <u>27,152</u> |
| | | <u>2,259,570</u> | <u>2,165,111</u> |
| LIABILITIES AND NET ASSETS | | | |
| CURRENT LIABILITIES | | | |
| Suppliers and service providers | 6 | 269,877 | 269,645 |
| Creditors and credit balances | 7 | 302,189 | 524,126 |
| | | <u>572,066</u> | <u>793,771</u> |
| NON - CURRENT LIABILITIES | | | |
| Provision for cessation of employee-employer relationship, net | 8 | <u>70,614</u> | <u>33,406</u> |
| NET ASSETS | | | |
| Unrestricted net assets | | | |
| Unrestricted used for operations | | 845,234 | 560,782 |
| Restricted used for operations | | 750,000 | 750,000 |
| Invested in fixed assets | | <u>21,656</u> | <u>27,152</u> |
| | | <u>1,616,890</u> | <u>1,337,934</u> |
| | | <u>2,259,570</u> | <u>2,165,111</u> |

The Notes to the Financial Statements are an integral part thereof.

September 12, 2023

Date of approval of the
financial statements

Mr. Victor Lederfarb
Board member

Mrs. Einat Podjarny
Board member

Kav Laoved – Worker's Hotline (R.A.)

Statement of Activities

(in NIS)

| | Note | For the Year Ending | |
|---|-------|----------------------------|--------------------------|
| | | <u>31.12.2022</u> | <u>31.12.2021</u> |
| Operating turnover | 10,11 | 4,623,767 | 4,573,150 |
| Operating costs | 12 | <u>3,846,085</u> | <u>3,793,293</u> |
| Net income from Activities | | 777,682 | 779,857 |
| Administrative and general expenses | 13 | <u>554,724</u> | <u>550,607</u> |
| Net income before financial expenses | | 222,958 | 229,250 |
| Net financial income (expenses) | | <u>55,998</u> | <u>(33,818)</u> |
| Net income for the year | | <u>278,956</u> | <u>195,432</u> |

The Notes to the Financial Statements are an integral part thereof.

Kav Laoved – Worker's Hotline (R.A.)

Statement of Changes in Net Assets

(in NIS)

| | <u>Unrestricted net assets</u> | | | <u>Restricted net assets</u> | <u>Total</u> |
|--|--------------------------------|-------------------|---------------------------------|------------------------------|------------------|
| | <u>used for operations</u> | | | | |
| | <u>Unrestricted</u> | <u>Restricted</u> | <u>Invested in fixed assets</u> | <u>Restricted net assets</u> | <u>Total</u> |
| Balance as at January 1, 2021 | 358,833 | 750,000 | 33,669 | 80,825 | 1,223,327 |
| Net income for the year | 195,432 | - | - | - | 195,432 |
| Contributions | - | - | - | 2,437,548 | 2,437,548 |
| Amounts transferred to cover depreciation expenses | - | - | - | (2,518,373) | (2,518,373) |
| Amounts released from restrictions | <u>6,517</u> | <u>-</u> | <u>(6,517)</u> | | |
| Balance as of December 31, 2021 | <u>560,782</u> | <u>750,000</u> | <u>27,152</u> | <u>-</u> | <u>1,337,934</u> |
| Net income for the year | 278,956 | - | - | - | 278,956 |
| Amounts transferred to cover depreciation expenses | <u>5,496</u> | <u>-</u> | <u>(5,496)</u> | <u>-</u> | <u>-</u> |
| Balance as of December 31, 2022 | <u>845,234</u> | <u>750,000</u> | <u>21,656</u> | <u>-</u> | <u>1,616,890</u> |

(*) The Amuta released the amount for treatment in Israeli workers.

The Notes to the Financial Statements are an integral part thereof.

Kav Laoved – Worker's Hotline (R.A.)

Statement of Cash Flows

(in NIS)

| | <u>For the Year Ending</u> | |
|---|----------------------------|-------------------|
| | <u>31.12.2022</u> | <u>31.12.2021</u> |
| <u>Cash flows for operating activities</u> | | |
| Net income for the year | 278,956 | 195,432 |
| Adjustments to reconcile to net cash from operating activities (Schedule 1) | <u>(45,586)</u> | <u>127,499</u> |
| Net cash used for operating activities | <u>233,370</u> | <u>322,931</u> |
| | | |
| Increase in cash and cash equivalents | 233,370 | 322,931 |
| Cash and cash equivalents at the beginning of the year | <u>1,648,545</u> | <u>1,325,614</u> |
| Cash and cash equivalents at the end of the year | <u>1,881,915</u> | <u>1,648,545</u> |

The Notes to the Financial Statements are an integral part thereof.

Kav Laoved – Worker's Hotline (R.A.)

Schedule to the Statement of Cash Flows

(in NIS)

Schedule 1 - Adjustments required to present cash flows from operating activities

| | For the Year Ending | |
|--|---------------------|-------------------|
| | <u>31.12.2022</u> | <u>31.12.2021</u> |
| Amounts released from restricted | - | (80,825) |
| Depreciation | 5,496 | 6,517 |
| Increase (Decrease) in severance pay reserve, net | 37,208 | (21,863) |
| Changes in assets and liabilities: | | |
| Decrease (Increase) in income receivable | 126,646 | (295,739) |
| Decrease in debtors and debit balances | 6,769 | 77,439 |
| Increase (Decrease) in suppliers and service providers | 232 | 118,627 |
| Decrease (increase) in creditors and credit balances | <u>(221,937)</u> | <u>323,343</u> |
| | <u>(45,586)</u> | <u>127,499</u> |

The Notes to the Financial Statements are an integral part thereof.

Kav Laoved – Worker's Hotline (R.A.)

Notes to the Financial Statements as of December 31, 2022

Note 1 - General:

- A. The Amuta, Kav Laoved - Worker's Hotline (R.A), was founded in 1991 as a non-profit association under the Amutot Law - 1980 and was registered as Amuta No. 580175545.
- B. The main objectives of the Amuta include protecting the rights and welfare of poorer workers employed in Israel.
- C. The Amuta is recognized as a public institution according to section 9(2) of the Income Tax Ordinance.
- D. The Amuta is recognized as a non-profit organization according to section 46 of the Israeli Income Tax Ordinance regarding contributions.
- E. The Amuta is classified as a non-profit organization for Value Added Tax purposes.

Note 2 – Significant Accounting Policies:

A. Definitions

In these financial statements:

- | | | |
|-------------|---|---|
| The Amuta | - | Kav Laoved - Worker's Hotline (R.A) |
| Net assets | - | The difference between the assets and liabilities. |
| Restriction | - | A restriction on the use of net assets set by the conditions imposed by donors, supporters or those giving grants to the Amuta. |

B. First implementation of accounting standard number 40, accounting rules and financial reporting by nonprofits Advertising Requirements

Accounting standard number 40, accounting rules and financial reporting by nonprofits (hereinafter: the "Standard") was published on August 13, 2020. The standard replaces the existing provisions in the combined version of Manifesto Number 69 and accounting standard number 5 and its amendments, as well as accounting standard number 9.

First and transition instructions

The standard has been implemented for annual periods beginning on January 1, 2021. The effect of adopting the measurement provisions in this standard at the time of implementation for the first time was reported as coordination of the net asset balances for the beginning of the period. No comparative information has been reintroduced for the changes in measurement resulting from the provisions of this standard. The presentation instructions contained in this standard have been applied in the starting date of the standard.

Kav Laoved – Worker's Hotline (R.A.)

Notes to the Financial Statements as of December 31, 2022

Note 2 - Significant Accounting Policies (contd.):

C. The effect of changes in the general purchasing power of the Israeli currency

The financial statements were prepared according to generally accepted accounting principles based on historic cost, and not on the basis of reported sums as defined in Standard No. 12 of the Israeli Accounting Standards Institution.

D. Linkage to the Index or foreign currency

1. Assets and liabilities in foreign currency or linked thereto are presented according to the representative exchange rate on the Statement of Financial Position.
2. Assets and liabilities linked to the Consumer Price Index are presented according to the index terms of each balance.
3. Income and expenditure and other activities in foreign currency are recorded according to the exchange rates at the time transactions accrued.
4. Linkage and exchange rate differentials are recorded in the financial statements prevailing at the time that the transaction occurred.
5. Below are details of the indices and foreign currency exchange rates on the balance sheet date:

| | <u>31.12.2022</u> | <u>31.12.2021</u> |
|--------------------------------------|-------------------|-------------------|
| CPI (in points) | 108.0 | 102.6 |
| U.S. dollar (in Shekels to 1 Dollar) | 3.519 | 3.110 |

| | <u>Rate of change (%) for the year ended on</u> | |
|-------------|---|-------------------|
| | <u>31.12.2022</u> | <u>31.12.2021</u> |
| CPI | 5.26 | 2.80 |
| U.S. dollar | 13.15 | (3.27) |

E. Cash and cash equivalents

Cash equivalents include bank account balance and short term deposits available for immediate withdrawal deposits readily realizable into cash, and whose duration at the time of investment does not exceed three months.

Kav Laoved – Worker's Hotline (R.A.)

Notes to the Financial Statements as of December 31, 2022

Note 2 - Significant Accounting Policies (contd.):

F. Fixed assets

Fixed assets are presented at cost less accumulated depreciation. Depreciation is calculated by the straight-line method, at equal annual rates, considered to sufficiently depreciate the assets over the period of anticipated use.

| <u>Rate of depreciation</u> | <u>%</u> |
|-----------------------------|----------|
| Computers | 33 |
| Furniture and fixtures | 7-15 |
| Leasehold improvements | 10 |

G. Income recognition

The Amuta records its income on the accrual basis. Contributions are recorded upon receipt; or, in cases where a non-recourse pledge is made by the donor to the Amuta which relates to the period of the Financial Statements.

Services provided by volunteers accepted without consideration are recorded as income and expenditure based on the minimum wage.

H. Estimates and assumptions

The preparation of the financial statements and the presentation thereof in accordance with generally accepted accounting principles, require that the Amuta's committee make estimates and assumptions which affect the data in the financial statements and the related notes. Due to the nature of the estimates and assumptions, actual results may differ from those estimates.

I. Donations Receivable

Donations, allocations, bequests and gifts that were pledged but not received as at financial statement date, are recorded as income, or as additions to restricted net assets, if all of the following conditions exist:

- An irrevocable and unconditional pledge by the donor and related reporting period.
- The pledge was realized subsequent to financial statement date.
- Realization of the promise is not conditional on the occurrence of a future event.

Kav Laoved – Worker's Hotline (R.A.)

Notes to the Financial Statements as of December 31, 2022

Note 3 - Income receivable:

| | <u>31.12.2022</u> | <u>31.12.2021</u> | <u>31.12.2022</u> | <u>31.12.2021</u> |
|------------------------------|-------------------|-------------------|-------------------|-------------------|
| | NIS | NIS | \$ | \$ |
| NRC | 111,481 | - | 31,680 | - |
| The Prism Charitable Trust | 140,580 | - | 39,949 | - |
| The General Guardian | 22,200 | - | 6,309 | - |
| Signing Anew (R.A.) | 5,000 | - | 1,421 | - |
| Social justice aide | 43,362 | - | 12,322 | - |
| Shapiro Foundation | - | 49,010 | - | 15,759 |
| Zeev Noy | - | 22,097 | - | 7,105 |
| National Insurance Institute | - | 352,045 | - | 113,198 |
| Others | - | 26,177 | - | 8,398 |
| | <u>322,623</u> | <u>449,329</u> | <u>91,680</u> | <u>144,460</u> |

Note 4 - Debtors and Debit Balances:

| | <u>31.12.2022</u> | <u>31.12.2021</u> |
|-----------------------|-------------------|-------------------|
| Advances to suppliers | 28,497 | 28,500 |
| Checks payable | 693 | 1,960 |
| Others | 4,186 | 9,685 |
| | <u>33,376</u> | <u>40,145</u> |

Note 5 - Fixed Assets, Net:

| | | | | Total | |
|----------------------------------|-----------------------------------|---|-----------------------------------|----------------|----------------|
| | Furniture and fixtures | Computers and peripheral equipment | Leasehold improvements | 2022 | 2020 |
| <u>Cost:</u> | | | | | |
| Balance at December 31 | <u>399,185</u> | <u>411,277</u> | <u>125,609</u> | <u>936,071</u> | <u>936,071</u> |
| <u>Accumulated depreciation</u> | | | | | |
| Balance at January 1 | 385,037 | 398,273 | 125,609 | 908,919 | 902,402 |
| Depreciation | <u>5,174</u> | <u>322</u> | <u>-</u> | <u>5,496</u> | <u>6,517</u> |
| Balance at December 31 | <u>390,211</u> | <u>398,595</u> | <u>125,609</u> | <u>914,415</u> | <u>908,919</u> |
| Fixed assets, net at December 31 | <u>8,974</u> | <u>12,682</u> | <u>-</u> | <u>21,656</u> | <u>27,152</u> |

Kav Laoved – Worker's Hotline (R.A.)

Notes to the Financial Statements as of December 31, 2022

(in NIS)

Note 6 - Suppliers and Service Providers:

| | <u>31.12.2022</u> | <u>31.12.2021</u> |
|---------------------------------|-------------------|-------------------|
| Expenses payable | 110,294 | 70,910 |
| Suppliers and service Providers | <u>159,583</u> | <u>198,735</u> |
| | <u>269,877</u> | <u>269,645</u> |

Note 7 - Creditors and Credit Balances:

| | <u>31.12.2022</u> | <u>31.12.2021</u> |
|------------------------|-------------------|-------------------|
| Institutions | 10,460 | 479 |
| Vacation pay liability | 146,335 | 177,757 |
| Income in advance | 145,394 | 345,890 |
| | <u>302,189</u> | <u>524,126</u> |

Note 8 - Provision for Cessation of Employee-Employer Relationship, Net:

| | <u>31.12.2021</u> | <u>31.12.2020</u> |
|--|-------------------|-------------------|
| Provision for severance pay | 73,818 | 36,610 |
| Less – Deposits in severance pay funds | <u>(3,204)</u> | <u>(3,204)</u> |
| | <u>70,614</u> | <u>33,406</u> |

Kav Laoved – Worker's Hotline (R.A.)

Notes to the Financial Statements as of December 31, 2022

(in NIS)

Note 9 - Operating Turnover:

Composition according to donor

| | For the Year Ending | |
|---|----------------------------|--------------------------|
| | <u>31.12.2022</u> | <u>31.12.2021</u> |
| Donations from Funds (see Note 10) | 3,193,948 | 2,579,535 |
| Donations from private donors (see Note 10) | <u>623,094</u> | <u>618,536</u> |
| | <u>3,817,042</u> | <u>3,198,071</u> |
| Income from handling claims | 361,396 | 348,180 |
| Donations in kind (*) | 386,280 | 428,970 |
| Membership fees | 3,395 | 3,600 |
| Allocations(**) | <u>55,654</u> | <u>594,329</u> |
| | <u>4,623,767</u> | <u>4,573,150</u> |

(*) Consisting of:

| | For the Year Ending | |
|----------------------------|----------------------------|--------------------------|
| | <u>31.12.2022</u> | <u>31.12.2021</u> |
| Volunteers' activities (1) | 371,280 | 413,970 |
| Volunteers' insurance | <u>15,000</u> | <u>15,000</u> |
| | <u>386,280</u> | <u>428,970</u> |

(1) Volunteers' activities – taking into account the hours donated, the number of volunteers and an estimate of value of a volunteer's hour at 29.12 NIS. (In 2020- 29.12 NIS)

(**) Consisting of:

| | For the Year Ending | |
|--|----------------------------|--------------------------|
| | <u>31.12.2022</u> | <u>31.12.2021</u> |
| National Insurance Institute | - | 569,558 |
| Estate fund | 22,200 | 10,000 |
| Tel Aviv Municipality | 14,864 | 14,771 |
| The forfeiture fund of the Ministry of Justice | <u>18,590</u> | - |
| | <u>55,654</u> | 594,329 |

Kav Laoved – Worker's Hotline (R.A.)

Notes to the Financial Statements as of December 31, 2022

(in NIS)

Note 10 – Donations from Institutions and Private Donors:

| | <u>For the Year Ending</u> | |
|---|----------------------------|-------------------|
| | <u>31.12.2022</u> | <u>31.12.2021</u> |
| The New Israel Fund | - | 88,776 |
| The European Union * | 102,482 | 477,186 |
| The Samuel Sebba Charitable Trust | 360,000 | 360,000 |
| United Nation High Commissioner for Refugees * | 214,650 | 200,700 |
| United Nations Voluntary Trust * | 64,220 | - |
| UK online | 7,117 | 11,194 |
| Goldman Sachs Philanthropy Fund | 333,542 | 324,349 |
| Yad Handiv | 60,000 | - |
| Holand Embassy * | 60,000 | - |
| Arkin Family Fund | 50,000 | 80,000 |
| Signing Anew (R.A.) | 15,000 | - |
| Rosa Luxemburg Fund * | 74,001 | 64,680 |
| Goodnation | - | 15,881 |
| Shapiro foundation | - | 49,010 |
| SIVMO | 5,573 | 7,152 |
| Bader Philanthropic fund East Jerusalem | - | 59,120 |
| German Embassy * | 159,120 | 174,320 |
| Social justice aide | 172,326 | 82,674 |
| Ethiopian Jewish Society | 96,858 | 99,465 |
| NRC* | 536,458 | 481,328 |
| Kerk an Actie | 143,411 | |
| The Prism Charitable Trust | 663,077 | |
| Issac Cohen | 65,556 | |
| Kathrine Ames Foundation | 10,557 | |
| Embassy of Thailand* | - | 3,700 |
| | <u>3,193,948</u> | <u>2,579,535</u> |
| Donations via the Internet and private donation | 536,073 | 454,764 |
| Private Donation via PEF | - | 38,862 |
| Donations from businesses and companies | 87,021 | 61,785 |
| Donation from abroad | - | 63,125 |
| | <u>623,094</u> | <u>618,536</u> |
| | <u>3,817,042</u> | <u>3,198,071</u> |

* Foreign policy entities

Kav Laoved – Worker's Hotline (R.A.)

Notes to the Financial Statements as of December 31, 2022

(in NIS)

Note 11 - Operating Costs:

| | For the Year Ending | |
|--|----------------------------|--------------------------|
| | <u>31.12.2022</u> | <u>31.12.2021</u> |
| Salaries and related expenses | 2,220,572 | 2,257,596 |
| Volunteers' work | 371,280 | 413,970 |
| Assistance and legal guidance | 14,940 | 21,439 |
| Rent and maintenance of the association's branches | 269,952 | 338,304 |
| Communications | 31,745 | 30,323 |
| Travel | 65,290 | 53,362 |
| Information activities | 110,346 | 429,253 |
| Corporation project | 31,452 | 156,511 |
| Safety Officer | - | 9,047 |
| Crowdfunding expenses | 527 | 25,410 |
| Computers maintenance | 625,166 | 30,119 |
| Insurance (see Note 10) | 15,000 | 15,000 |
| Conferences and workshops | 25,073 | 6,392 |
| Depreciation | | 6,517 |
| Norwegian Project | 59,246 | |
| National Service | 5,496 | - |
| Development and programming of the system | - | 50 |
| | <u>3,846,085</u> | <u>3,793,293</u> |

Kav Laoved – Worker's Hotline (R.A.)

Notes to the Financial Statements as of December 31, 2022

(in NIS)

Note 12 – Administrative and General Expenses:

| | <u>For the Year Ending</u> | |
|--|----------------------------|-------------------|
| | <u>31.12.2022</u> | <u>31.12.2021</u> |
| Professional literature | - | 3,266 |
| Salaries and related expenses | 417,315 | 407,583 |
| Rental and building maintenance | 62,571 | 42,855 |
| Communications | - | 4,413 |
| Office expenses and computer maintenance | 2,060 | 12,401 |
| Professional services | 32,729 | 35,976 |
| Refreshments and gifts to volunteers | 3,304 | 12,553 |
| Fees | 1,162 | 1,133 |
| Travel | 310 | 2,042 |
| Legal expenses | 14,253 | 9,302 |
| Others | 15,081 | 11,646 |
| Fundraising | 5,939 | 7,437 |
| | <u>554,724</u> | <u>550,607</u> |