

Kav Laoved – Worker's Hotline
(Registered Amuta)

FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2023

Kav Laoved – Worker's Hotline
(Registered Amuta)

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AS AT DECEMBER 31, 2023

Index

	<u>Page</u>
Auditors' Report	3
Financial Statements:	
Statements of Financial Position	4
Statements of Activities	5
Statements of Changes in Net Assets	6
Statements of Cash Flows	7-8
Notes to the Financial Statements	9-17



**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, 2023 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, 2023 and 2022, 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 25, 2024

Ziv Haft

Certified Public Accountants (Isr.)

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Kav Laoved – Worker's Hotline (R.A.)
Statement of Financial Position (in NIS)


	<u>Note</u>	<u>31.12.2023</u>	<u>31.12.2022</u>
<u>ASSETS</u>			
CURRENT ASSETS			
Cash and cash equivalents		2,320,853	1,881,915
Income receivable	3	-	322,623
Debtors and debit balances	4	<u>31,273</u>	<u>33,376</u>
		<u>2,352,126</u>	<u>2,237,914</u>
NON - CURRENT ASSETS			
Fixed assets, net	5	<u>31,880</u>	<u>21,656</u>
		<u>2,384,006</u>	<u>2,259,570</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Suppliers and service providers	6	68,240	110,304
Creditors and credit balances	7	<u>598,743</u>	<u>461,762</u>
		<u>666,983</u>	<u>572,066</u>
NON - CURRENT LIABILITIES			
Provision for cessation of employee-employer relationship, net	8	<u>69,992</u>	<u>70,614</u>
NET ASSETS			
Unrestricted net assets			
Unrestricted used for operations		865,151	845,234
Restricted used for operations		750,000	750,000
Invested in fixed assets		<u>31,880</u>	<u>21,656</u>
		<u>1,647,031</u>	<u>1,616,890</u>
		<u>2,384,006</u>	<u>2,259,570</u>

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

September 25, 2024

Date of approval of the
financial statements


Naomi Friedman Sokoler
Board member


Michal Tajer
Board member

Kav Laoved – Worker's Hotline (R.A.)

Statement of Activities

(in NIS)

	Note	<u>For the Year Ending</u>	
		<u>31.12.2023</u>	<u>31.12.2022</u>
Operating turnover	10,11	4,884,098	4,623,767
Operating costs	12	<u>4,277,895</u>	<u>3,846,085</u>
Net income from Activities		606,203	777,682
Administrative and general expenses	13	<u>614,180</u>	<u>554,724</u>
Net income before financial expenses		(7,977)	222,958
Net financial income (expenses)		<u>38,118</u>	<u>55,998</u>
Net income for the year		<u>30,141</u>	<u>278,956</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>Total</u>
	<u>used for operations</u>		<u>Invested in fixed assets</u>	<u>Total</u>
	<u>Unrestricted</u>	<u>Restricted</u>		
Balance as at January 1, 2022	560,782	750,000	27,152	1,337,934
Net income for the year	278,956	-	-	278,956
Amounts transferred to cover depreciation expenses	5,496	-	(5,496)	-
Balance as of December 31, 2022	<u>845,234</u>	<u>750,000</u>	<u>21,656</u>	<u>1,616,890</u>
Net income for the year	30,141	-	-	30,141
Amounts transferred to cover depreciation expenses	5,013	-	(5,013)	-
Transfer of amounts for which there is no restriction for the purchase of fixed assets	<u>(15,237)</u>	<u>-</u>	<u>15,237</u>	<u>-</u>
Balance as of December 31, 2023	<u>865,151</u>	<u>750,000</u>	<u>31,880</u>	<u>1,647,031</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>31.12.2023</u>	<u>31.12.2022</u>
<u>Cash flows for operating activities</u>		
Net income for the year	30,141	278,956
Adjustments to reconcile to net cash from operating activities (Schedule 1)	<u>424,034</u>	<u>(45,586)</u>
Net cash used for operating activities	<u>454,175</u>	<u>233,370</u>
<u>Cash flows for investing activities</u>		
Purchase of fixed assets	<u>(15,237)</u>	<u>-</u>
Net cash for investing activities	<u>(15,237)</u>	<u>-</u>
Increase in cash and cash equivalents	438,938	233,370
Cash and cash equivalents at the beginning of the year	<u>1,881,915</u>	<u>1,648,545</u>
Cash and cash equivalents at the end of the year	<u>2,320,853</u>	<u>1,881,915</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	
	31.12.2023	31.12.2022
Amounts released from restricted		
Depreciation	5,013	5,496
Increase (Decrease) in severance pay reserve, net	(622)	37,208
Changes in assets and liabilities:		
Decrease (Increase) in income receivable	322,623	126,646
Decrease in debtors and debit balances	2,103	6,769
Increase (Decrease) in suppliers and service providers	(42,064)	232
Decrease (increase) in creditors and credit balances	136,981	(221,937)
	<u>424,034</u>	<u>(45,586)</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, 2023

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, 2023

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>31.12.2023</u>	<u>31.12.2022</u>
CPI (in points)	105.0	102.0
U.S. dollar (in Shekels to 1 Dollar)	3.627	3.519
Euro (in Shekels to 1 Euro)	4.0116	3.753
	Rate of change (%) for the year ended on	
	<u>31.12.2023</u>	<u>31.12.2022</u>
CPI	2.94	5.26
U.S. dollar	3.07	13.15
Euro	6.89	6.62

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, 2023

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, 2023

Note 3 - Income receivable:

	<u>31.12.2023</u>	<u>31.12.2022</u>	<u>31.12.2023</u>	<u>31.12.2022</u>
	<u>NIS</u>		<u>\$</u>	
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
	<u>-</u>	<u>322,623</u>	<u>-</u>	<u>91,680</u>

Note 4 - Debtors and Debit Balances:

	<u>31.12.2023</u>	<u>31.12.2022</u>
Advances to suppliers	28,497	28,497
Checks payable	1,636	693
Others	1,139	4,186
	<u>31,273</u>	<u>33,376</u>

Note 5 - Fixed Assets, Net:

	<u>Furniture and fixtures</u>	<u>Computers and peripheral equipment</u>	<u>Leasehold improvements</u>	<u>Total</u>
<u>Cost:</u>				
Balance at January 1	399,185	411,277	125,609	936,071
Additions	9,808	5,429	-	15,237
Balance at December 31	<u>408,993</u>	<u>416,706</u>	<u>125,609</u>	<u>951,308</u>
<u>Accumulated depreciation</u>				
Balance at January 1	390,211	398,595	125,609	914,415
Depreciation	4,653	360	-	5,013
Balance at December 31	<u>394,864</u>	<u>398,955</u>	<u>125,609</u>	<u>919,428</u>
<u>Depreciated cost as of December 31, 2023</u>	<u>14,129</u>	<u>17,751</u>	<u>-</u>	<u>31,880</u>
<u>Depreciated cost as of December 31, 2022</u>	<u>8,974</u>	<u>12,682</u>	<u>-</u>	<u>21,656</u>

Kav Laoved – Worker's Hotline (R.A.)
Notes to the Financial Statements as of December 31, 2023
(in NIS)

Note 6 - Suppliers and Service Providers:

	<u>31.12.2023</u>	<u>31.12.2022</u>
Expenses payable	67,194	110,294
Suppliers and service Providers	1,046	10
	<u>68,240</u>	<u>110,304</u>

Note 7 - Creditors and Credit Balances:

	<u>31.12.2023</u>	<u>31.12.2022</u>
Institutions	4,078	10,457
Vacation pay liability	193,901	146,335
Income in advance	241,188	145,394
Others	159,576	159,576
	<u>598,743</u>	<u>461,762</u>

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

	<u>31.12.2023</u>	<u>31.12.2022</u>
Provision for severance pay	73,196	73,818
Less – Deposits in severance pay funds	<u>(3,204)</u>	<u>(3,204)</u>
	<u>69,992</u>	<u>70,614</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

	<u>For the Year Ending</u>	
	<u>31.12.2023</u>	<u>31.12.2022</u>
Donations from Funds (see Note 10)	3,374,613	3,193,948
Donations from private donors (see Note 10)	501,343	623,094
	<u>3,875,956</u>	<u>3,817,042</u>
Income from handling claims	343,293	361,396
Donations in kind (*)	640,856	386,280
Membership fees	2,823	3,395
Allocations(**)	21,170	55,654
	<u>4,884,098</u>	<u>4,623,767</u>

(*) Consisting of:

	<u>For the Year Ending</u>	
	<u>31.12.2023</u>	<u>31.12.2022</u>
Volunteers' activities (1)	625,856	371,280
Volunteers' insurance	15,000	15,000
	<u>640,856</u>	<u>386,280</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 30.61 NIS. (In 2020- 29.12 NIS)

(**) Consisting of:

	<u>For the Year Ending</u>	
	<u>31.12.2023</u>	<u>31.12.2022</u>
Estate fund	-	22,200
Tel Aviv Municipality	11,170	14,864
The forfeiture fund of the Ministry of Justice	10,000	18,590
	<u>21,170</u>	<u>55,654</u>

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:

	For the Year Ending	
	<u>31.12.2023</u>	<u>31.12.2022</u>
War Emergency Grant	154,237	-
The European Union *	712,592	102,482
The Samuel Sebba Charitable Trust	350,000	360,000
Judith M. Vale	71,559	-
United Nation High Commissioner for Refugees *	260,712	214,650
United Nations Voluntary Trust *	70,965	64,220
Effective Altruism	87,093	-
UK onfine	-	7,117
Goldman Sachs Philanthropy Fund	380,247	333,542
Yad Handiv	-	60,000
Holand Embassy *	87,723	60,000
Arkin Family Fund	40,000	50,000
Signing Anew (R.A.)	-	15,000
Rosa Luxemburg Fund *	56,100	74,001
Poalim Bakehila	10,000	-
UNISON	18,500	-
SIVMO	8,073	5,573
Healing Across	36,376	-
German Embassy *	-	159,120
Social justice aide	-	172,326
Ethiopian Jewish Society	57,370	96,858
NRC*	394,219	536,458
Kerk an Actie	236,344	143,411
The Prism Charitable Trust	218,146	663,077
Izzy Cohen Labor Fund	84,436	65,556
Kathrine Ames Foundation	31,671	10,557
Embassy of Thailand*	8,250	-
	<u>3,374,613</u>	<u>3,193,948</u>
Donations via the Internet and private donation	315,841	536,073
Donations from businesses and companies	185,502	87,021
	<u>501,343</u>	<u>623,094</u>
	<u>3,875,956</u>	<u>3,817,042</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:

	<u>For the Year Ending</u>	
	<u>31.12.2023</u>	<u>31.12.2022</u>
Salaries and related expenses	2,519,806	2,220,572
Volunteers' work	625,856	371,280
Assistance and legal guidance	2,345	14,940
Rent and maintenance of the association's branches	292,284	269,952
Communications	33,910	31,745
Travel	66,462	65,290
activities	79,938	110,346
Corporation project	(*) 399,129	31,452
Crowdfunding expenses	-	527
Computers maintenance	234,908	625,166
Insurance (see Note 10)	15,000	15,000
Conferences and workshops	3,244	25,073
Norwegian Project	-	59,246
National Service	5,013	5,496
	<u>4,277,895</u>	<u>3,846,085</u>

(*) Composition: legal 200,000 NIS, Information 199,129 NIS.

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>31.12.2023</u>	<u>31.12.2022</u>
Professional literature	7,667	-
Salaries and related expenses	491,021	417,315
Rental and building maintenance	64,704	62,571
Office expenses and computer maintenance	2,484	2,060
Professional services	13,056	32,729
Refreshments and gifts to volunteers	3,526	3,304
Fees	1,614	1,162
Travel	-	310
Legal expenses	4,937	14,253
Others	3,047	15,081
Fundraising	22,124	5,939
	<u>614,180</u>	<u>554,724</u>

Note 12 – events durnig the repirting period

On October 7, 2023, a surprise attack began on the State of Israel which led to the start of the "Iron Swords" war which is still ongoing these days. The war has horizontal consequences for the economy in Israel, the scope and consequences of which cannot yet be estimated. The association monitors these effects, and in its estimation, as of the date of approval of the financial report, there is no apparent material effect of the war on the association's financial situation.