

# **Hotline for Migrant Workers (R.A.)**

## **Financial Reports**

**For December 31, 2013**

### **Table of Contents**

	<u>Page</u>
Auditing Accountant Report	2
Balance Sheet	3
Activities Report	4
Statement of Changes in Net Assets	5
Notes to the Financial Statements	6-9
Addendum	10

**Auditing Accountant Report**  
**for**  
**The Hotline for Migrant Workers (R.A.)**

We have audited the enclosed balance sheets of **The Hotline for Migrant Workers (R.A.)** for the dates December 31, 2013 and 2013 the activities report, and the statement of changes in assets for each of the years ended at these dates. The organisation's board of directors and management are responsible for these reports. Our responsibility is to comment on these reports based on our audit.

We have conducted our audit according to customary standards of auditing, including standards set forth in the regulations of accountants (accountant's conduct) 5733 – 1973. We are required according to these standards to plan the audit and carry it out in order to attain a reasonable degree of confidence that the financial statements do not contain a fundamental false representation. An audit includes examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements. An audit also includes an examination of the accounting rules applied and of the significant estimates made by the organisation's directors and management, as well as evaluation of the overall validity of the representation in the financial statements. We believe that our audit

In our opinion these reports give a true and fair view, according to the customary standards of accounting in all essential aspects, of the financial state of affairs of the organisation for the dates December 31, 2013 and 2013 and the outcomes of its actions for each of the years ended at these dates – in nominal values.

*Romano Blanga and Associates*  
Accountants

**Tel-Aviv, MAY 28th, 2013**

# Hotline for Migrant Workers (R.A.)

## Balance Sheet

		2012	2013
	Note	NIS	
<b><u>Current Assets</u></b>			
Cash and cash equivalents		929,896	1,949,426
Prepaid Expenses	2	232,185	142,484
		<u>1,162,081</u>	<u>2,091,910</u>
<b><u>Fixed Assets</u></b>			
Cost	3	325,313	356,657
Minus accumulated depreciation		<u>(231,846)</u>	<u>(259,339)</u>
		<u>93,467</u>	<u>97,318</u>
<b><u>Other Assets</u></b>			
Cost		37,418	37,418
Minus accumulated depreciation		<u>(35,163)</u>	<u>-35,629</u>
		<u>2,255</u>	<u>1,789</u>
		<u><b>1,257,803</b></u>	<u><b>2,191,017</b></u>
<b><u>Current Liabilities</u></b>			
Suppliers and service providers	4	59,356	190,123
Creditors and positive balance amounts	5	608,931	671,278
		<u>668,287</u>	<u>861,401</u>
<b><u>Reserves</u></b>			
Severance pay reserve	6	<u>52,336</u>	<u>52,197</u>
<b><u>Net Assets</u></b>			
<b>Unrestricted net assets:</b>			
For activities usage		113,793	175,901
Used for buying tangible fixed assets		95,722	99,573
		<u>209,515</u>	<u>275,474</u>
<b>Temporarily restricted net assets:</b>			
		<u>327,665</u>	<u>1,001,945</u>
		<u>537,180</u>	<u>1,277,419</u>
		<u><b>1,257,803</b></u>	<u><b>2,191,017</b></u>

Miri Osin  
Board Member

Ellen Kuchali  
Board Chairperson

**Tel-Aviv, MAY 28th, 2013**

Date of approval of financial reports

The enclosed notes and lists form an integral part of the financial statements.

# Hotline for Migrant Workers (R.A.)

## Activities Report

For the year ending  
December 31

	<u>Notes</u>	<u>2012</u>	<u>2013</u>
		<u>NIS</u>	
<b>Turnover from Activities</b>			
Donations		649,392	850,974
Governemnt grants	7	13,700	13,816
Membership dues		9,960	1,475
Other income		228,182	223,766
Amounts released from restriction		1,405,266	1,680,216
<b>Total Turnover from Activities</b>		<b>2,306,500</b>	<b>2,770,247</b>
 Cost of activities	8	<u>2,053,811</u>	<u>2,421,586</u>
<b>Net Revenues from Activities</b>		<b>252,689</b>	<b>348,661</b>
 General and Administrative Expenses	9	120,441	122,673
Fundraising		<u>174,061</u>	<u>141,132</u>
<b>Net Revenues Before Financing</b>		<b>(41,813)</b>	84,856
 Net financing costs	10	<u>11,424</u>	<u>18,897</u>
<b>Net Surplus (Deficit) for This Year</b>		<b><u>(53,237)</u></b>	<b><u>65,959</u></b>

The enclosed notes and lists form an integral part of the financial statements.

# Hotline for Migrant Workers (R.A.)

## Statement of Changes in Net Assets

	Net assets on which there is no restriction		Net assets on which there is temporary restriction (*)	Total
	Used for activities	Used for fixed assets		
	NIS			
<b>Balance as at December 31, 2011</b>	<b>156,671</b>	<b>106,081</b>	<b>302,960</b>	<b>565,712</b>
<b>Transactions in 2012</b>				
<b>Additions during the year</b>				
Donations	--	--	1,429,971	1,429,971
Net surplus (deficit) for the year	(53,237)	--	--	(53,237)
<b>Withdrawals during the year</b>				
Amounts released from restriction	--	--	(1,405,266)	(1,405,266)
Transfer of amounts on which there is no restriction used for fixed assets	(18,150)	18,150	--	--
Amounts transferred to cover depreciation expenses	28,509	(28,509)	--	--
<b>Balance as at December 31, 2012</b>	<b>113,793</b>	<b>95,722</b>	<b>327,665</b>	<b>537,180</b>
<b>Transactions in 2013</b>				
<b>Additions during the year</b>				
Donations	--	--	2,354,496	2,354,496
Net surplus (deficit) for the year	65,959	--	--	65,959
<b>Withdrawals during the year</b>				
Amounts released from restriction	--	--	(1,680,216)	(1,680,216)
Transfer of amounts on which there is no restriction used for fixed assets	(31,344)	31,344	--	--
Amounts transferred to cover depreciation expenses	27,493	(27,493)	--	--
<b>Balance as at December 31, 2013</b>	<b>175,901</b>	<b>99,573</b>	<b>1,001,945</b>	<b>1,277,419</b>

(\*) The restrictions used to categorise the net assets were those imposed by external bodies.

# Hotline for Migrant Workers (R.A.)

## Notes to the Financial Statements for December 31, 2013

### Note 1 - Principle Accounting Policies

#### A. General

- 1) The Hotline for Migrant Workers (R.A.) was founded in 1999 and registered at the Israeli Associations Registrar (Rasham Ha'amotot).  
Registered Association number: 58-033-309-4.  
The organisation has Sec 46 certificate.

Its goals are:

To assist migrant workers, asylum seekers and refugees in fulfilling their rights and to impact government policy to this end.

To provide assistance to migrant workers, asylum seekers and refugees and to their families

To increase public awareness to the ongoing violations of rights of migrant workers, asylum seekers and refugees

To eradicate the phenomenon of trafficking in persons in Israel

To act against racism and xenophobia in Israeli society

#### 2) Definitions:

The association Hotline for Migrant Workers (R.A.)

Attached parties As defined in statement no. 29 of the Israeli Institute of Certified Public Accountants.

#### B. Effects of changes in purchasing power of Israeli currency:

The financial statements are set according to customary accounting rules, based on the historical value, without accounting for changes in the purchasing power of Israeli currency.

#### C. Cash equivalents:

Cash equivalents are considered by the Association to be investments with high liquidity, including bank deposits that are closed for up to three months.

#### D. Assets and equipment:

The sums of non financial assets do not necessarily reflect the realization value or current economic value, rather only the original historical costs. The assets and equipment are shown according to cost. The depreciation is calculated according to the equal depreciation method, based on the estimated period of use.

#### Yearly depreciation rates:

	<u>%</u>
Furniture and equipment	7-15
Computers and computer equipment	33

The rates of depreciation used are identical to the permitted rates according to the Tax Order

#### E. Other Assets:

Other assets are depreciated according to the expected lifespan as estimated by the Association's management.

<u>Yearly depreciation rates:</u>	<u>%</u>
	10

#### F. Exchange rate and linking base:

	<u>2012</u>	<u>2013</u>	<u>Rates of change during the year</u>
Consumer price index	112	114	1.81%
U.S. dollar	4	3	-7.02%
Euro	5	5	-2.82%

- G. A cash flow report, as stipulated in statement no. 51 of the Israeli Institute of Certified Public Accountants, is not given because it does not provide any additional meaningful information.

# Hotline for Migrant Workers (R.A.)

## Notes to the Financial Statements for December 31, 2013

### Note 2 - Prepaid Expenses

	December 31	
	2012	2013
	NIS	
Income to be received	188,450	129,264
Advances to suppliers	--	4,000
Tax	--	4,320
Prepaid expenses	43,735	4,900
	<b>232,185</b>	<b>142,484</b>

### Note 3 - Net Fixed Assets

	Balance			Balance
	at the start			at the end
	of the year	Additions	Reductions	of the year
	NIS			
<b>Cost:</b>				
Furniture and equipment	131,735	5,113	--	136,848
Computers and computer equipment	166,250	19,230	--	185,480
Renovation of rented offices	27,328	7,001	--	34,329
	<b>325,313</b>	<b>31,344</b>	<b>--</b>	<b>356,657</b>
<b>Accumulated depreciation:</b>				
Furniture and equipment	68,851	13,203	--	82,054
Computers and computer equipment	154,226	12,136	--	166,362
Renovation of rented offices	8,769	2,154	--	10,923
	<b>231,846</b>	<b>27,493</b>	<b>--</b>	<b>259,339</b>
<b>Net fixed assets:</b>	<b>93,467</b>			<b>97,318</b>

### Note 4 - Suppliers and service providers

	December 31	
	2012	2013
	NIS	
Suppliers and service providers	1,490	21,392
Checks to be redeemed	188,633	37,964
	<b>190,123</b>	<b>59,356</b>

### Note 5 - Creditors and positive balance amounts

	December 31	
	2012	2013
	NIS	
Expenses payable	26,472	27,950
Various creditors	--	--
Institutions	52,043	34,416
Employees	94,078	89,026
Provision for staff vacation pay	50,038	70,056
Advanced income	386,300	449,830
	<b>608,931</b>	<b>671,278</b>

# Hotline for Migrant Workers (R.A.)

## Notes to the Financial Statements for December 31, 2013

### Note 6 - Severance pay reserve

- A. The obligation towards severance pay is covered, for some employees, by employee insurance policies. Monies deposited with insurance companies are not included in the balance sheet as they are not under the control of the Association.
- B. The severance pay reserve included in the balance sheet reflects the remaining obligation, which is not covered by the above said insurance policies, and is calculated in accordance with the elements of the salaries to which, in the opinion of the management, the employees are entitled when receiving severance pay.
- C. The reserve does not include monies put aside for temporary employees that are not yet entitled to severance pay according to the law.
- D. The make up of this section is as follows:

	December 31	
	2012	2013
	NIS	
Severance pay reserve	52,336	52,197

### Note 7 - Governemnt grants

Includes grant from the Tel Aviv Municipality for 2013 in the sum of 13,816 NIS (13,700 NIS in 2012).

### Note 8 - Cost of Activities

	December 31	
	2012	2013
	NIS	
Wages and related expenses	1,378,691	1,556,852
National service volunteers	45,359	73,649
Office supplies	43,902	80,708
Books, research and training	40,476	43,631
Publishing expenses	15,817	2,773
Public activities and events	81,607	189,933
Rent	132,754	85,114
Post, telephone and communications	47,494	51,604
Humanitarian aid	4,443	21,638
Legal expenses	142,735	123,707
Insurance	12,116	8,620
Travel	35,927	29,669
Travel abroad	13,732	72,708
Municipal taxes and association fees	31,674	54,419
Depreciation expenses	27,084	26,561
	<u>2,053,811</u>	<u>2,421,586</u>



# Hotline for Migrant Workers (R.A.)

## Notes to the Financial Statements for December 31, 2013

### Note 9 - General and Administrative Expenses

	December 31	
	2012	2013
	NIS	
Wages and related expenses	31,851	34,281
Office supplies	7,036	7,437
Post, telephone and communications	5,210	5,734
Rent and maintenance	11,178	9,457
Bookkeeping	30,110	30,440
Municipal taxes and association fees	10,000	11,800
Accountant	3,519	6,047
Gifts	13,713	4,369
Insurance	1,346	958
Travel	5,136	4,859
Vocational training	--	5,990
Other	(83)	(97)
Depreciation costs	1,425	1,398
	<u>120,441</u>	<u>122,673</u>

### Note 10 - Net Financing Costs

	December 31	
	2012	2013
	NIS	
Bank interest and commissions	9,065	18,922
Differences in exchange rates	4,718	3,646
Income from interest	(2,359)	(3,671)
	<u>11,424</u>	<u>18,897</u>

# Hotline for Migrant Workers (R.A.)

## Addendum to the Financial Statements for December 31, 2013

### Addendum A: List of donors who gave at least 20,000 NIS

<u>Name of Donor</u>	<u>NIS</u>	<u>Purpose</u>
Sigrid Rausing Trust	371,232	General
CAFOD	60,890	Migrant workers
The Blaustin foundation	109,650	Refugees
Panama Street Fund	36,800	General
The Samuel Sebba	150,000	General
The New Israel Fund	138,890	Refugees, Legal work
Moriah Fund	88,592	Refugees
UNVTCFS	55,215	Human trafficking
The Zanyvl and Isabelle Krieger Foundation	75,480	General
Bezeq	30,000	Website
International Bar Association	22,669	Legal work
Rosa Luxemburg	32,837	Public event for International Migrant's day
UNHCR	629,091	Refugees
UNODC	71,567	Human trafficking
A.C.R.C	80,000	Refugees
Caritas France	53,211	Refugees
The European Comission	391,810	Alternatives to child detention, torture victim
	<b><u>2,397,934</u></b>	

### Addendum B: List of donations received from external political entities

<u>Name of Donor</u>	<u>NIS</u>	<u>Purpose</u>
UNVTCFS	55,215	Human trafficking
Rosa Luxemburg	32,837	Public event for International Migrant's day
UNHCR	629,091	Refugees
UNODC	71,567	Human trafficking
The European Comission	391,810	Alternatives to child detention, torture victim
	<b><u>1,180,520</u></b>	

### Addendum C: List of five highest salaries

	<u>Name of Employee</u>	<u>Gross wages</u>	<u>Additional costs</u>	<u>Total cost of wages</u>
1	Michaeli Reut	197,463	4,359	201,822
2	Rozen Sigal	156,760	-	156,760
3	Weitzen Asaf	137,556	-	137,556
4	Ester Marie Saar	120,780	-	120,780
5	Avigal Nimrod	98,219	-	98,219