

Hotline for Migrant Workers (R.A.)

Financial Reports

For December 31, 2010

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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, 2010 and 2009 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, 2010 and 2009 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, June 1st, 2011

Hotline for Migrant Workers (R.A.)

Balance Sheet

		December 31.	
		2009	2010
	Note	NIS	
Current Assets			
Cash and cash equivalents		1,027,884	1,007,879
Checks to be collected		--	--
Prepaid Expenses	2	120,665	148,800
		<u>1,148,549</u>	<u>1,156,679</u>
Fixed Assets			
Cost	3	217,766	284,222
Minus accumulated depreciation		(144,068)	(176,395)
		<u>73,698</u>	<u>107,827</u>
Other Assets			
Cost		37,419	37,418
Minus accumulated depreciation		(18,810)	(27,044)
		<u>18,609</u>	<u>10,374</u>
		<u>1,240,856</u>	<u>1,274,880</u>
Current Liabilities			
Suppliers and service providers	4	43,453	43,493
Creditors and positive balance amounts	5	175,451	150,684
		<u>218,904</u>	<u>194,177</u>
Reserves			
Severance pay reserve	6	37,503	16,618
Net Assets			
Unrestricted net assets:			
For activities usage		549,317	651,932
Used for buying tangible fixed assets		92,307	118,201
		<u>641,624</u>	<u>770,133</u>
Temporarily restricted net assets:		342,825	293,952
		<u>984,449</u>	<u>1,064,085</u>
		<u>1,240,856</u>	<u>1,274,880</u>

Myriam Darmoni Sharvit
Board Chairperson

Ellen Kuchali
Board Chairperson

Tel-Aviv, June 1st, 2011

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

		<u>For the year ending</u> <u>December 31</u>	
		<u>2009</u>	<u>2010</u>
	<u>Notes</u>	<u>NIS</u>	
Turnover from Activities			
Donations		461,967	1,052,772
Governemnt grants	7	12,344	15,578
Membership dues		11,850	13,929
Other income		31,750	75,838
Amounts released from restriction		<u>1,181,660</u>	<u>917,946</u>
Total Turnover from Activities		<u>1,699,571</u>	<u>2,076,063</u>
Cost of activities	8	<u>1,429,530</u>	1,755,344
Net Revenues from Activities		<u>270,041</u>	<u>320,719</u>
General and Administrative Expenses	9	82,921	107,931
Fundraising		<u>80,804</u>	<u>82,655</u>
Net Revenues Before Financing		<u>106,316</u>	<u>130,133</u>
Net financing costs	10	<u>20,343</u>	<u>1,624</u>
Net Surplus (Deficit) for This Year		<u><u>85,973</u></u>	<u><u>128,509</u></u>

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

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			
Balance as at January 1, 2009	442,855	112,796	155,098	710,749
Transactions in 2009				
Additions during the year				
Donations	--	--	1,369,387	1,369,387
Net surplus (deficit) for the year	85,973	--	--	85,973
Withdrawals during the year				
Amounts released from restriction	--	--	(1,181,660)	(1,589,329)
Transfer of amounts on which there is no restriction used for fixed assets	(14,064)	14,064	--	--
Amounts transferred to cover depreciation expenses	34,553	(34,553)	--	--
Balance as at December 31, 2009	549,317	92,307	342,825	984,449
Transactions in 2010				
Additions during the year				
Donations	--	--	869,073	1,369,387
Net surplus (deficit) for the year	128,509	--	--	128,509
Withdrawals during the year				
Amounts released from restriction	--	--	(917,946)	(917,946)
Transfer of amounts on which there is no restriction used for fixed assets	(66,455)	66,455	--	--
Amounts transferred to cover depreciation expenses	40,561	(40,561)	--	--
Balance as at December 31, 2010	651,932	118,201	293,952	1,064,085

(*) 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, 2010

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:

	%
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>	%
	10

F. Exchange rate and linking base:

	<u>2009</u>	<u>2,010</u>	<u>Rates of change during the year</u>
Consumer price index	105.20	108.00	2.66%
U.S. dollar	3.549	3.775	-5.99%
Euro	5.442	4.739	-12.91%

- 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, 2010

Note 2 - Prepaid Expenses

	December 31	
	2009	2010
	NIS	
Income tax	--	--
Income to be received	80,620	96,921
Prepaid expenses	40,045	51,879
	<u>120,665</u>	<u>148,800</u>

Note 3 - Net Fixed Assets

	Balance			Balance at the end of the year
	at the start of the year	Additions	Reductions	
	NIS			
Cost:				
Furniture and equipment	70,402	34,058	--	104,460
Computers and computer equipment	133,700	23,025	--	156,725
Renovation of rented offices	13,664	9,373	--	20,037
	<u>217,766</u>	<u>66,456</u>	--	<u>284,222</u>
Accumulated depreciation:				
Furniture and equipment	25,179	17,965	--	43,144
Computers and computer equipment	115,246	12,861	--	128,107
Renovation of rented offices	3,643	1,501	--	5,144
	<u>144,068</u>	<u>32,327</u>	--	<u>176,395</u>
Net fixed assets:	<u>73,698</u>			<u>107,827</u>

Note 4 - Suppliers and service providers

	December 31	
	2009	2010
	NIS	
Suppliers and service providers	4,236	33,492
Checks to be redeemed	39,217	10,001
	<u>43,453</u>	<u>43,493</u>

Note 5 - Creditors and positive balance amounts

	December 31	
	2009	2010
	NIS	
Expenses payable	16,754	14,875
Various creditors	--	61,099
Institutions	31,397	39,853
Employees	1,550	2,692
Provision for staff vacation pay	50,750	32,165
Advanced income	75,000	--
	<u>175,451</u>	<u>150,684</u>

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Notes to the Financial Statements for December 31, 2010

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	
	2009	2010
Severance pay reserve	NIS	
	37,503	16,618

Note 7 - Government grants

Includes grant from the Tel Aviv Municipality for 2010 in the sum of 15'578 NIS (12'344 NIS in 2009). In addition, the Association was granted a reduction in municipal taxes in the sum of 18,024 NIS, which were decreased from the expenses in 2010 (17,733 NIS in 2009).

Note 8 - Cost of Activities

	December 31	
	2009	2010
	NIS	
Wages and related expenses	992,571	1,090,580
Office supplies	51,653	67,756
National service volunteers	58,476	49,459
Publishing expenses	29,910	4,518
Public activities and events	38,489	101,288
Rent	52,465	61,582
Post, telephone and communications	40,711	64,498
Humanitarian aid	18,509	8,857
Legal expenses	23,447	174,284
Insurance	7,399	7,620
Travel	19,833	28,587
Travel abroad	1,545	13,518
Municipal taxes and association fees	51,614	26,428
Training	11,810	19,864
Depreciation expenses	31,098	36,505
	<u>1,429,530</u>	<u>1,755,344</u>

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Notes to the Financial Statements for December 31, 2010

Note 9 - General and Administrative Expenses

	December 31	
	2009	2010
	NIS	
Wages and related expenses	20,038	28,434
Office supplies	4,815	7,529
Post, telephone and communications	4,524	7,166
Rent and maintenance	5,830	6,843
Bookkeeping	20,871	30,007
Municipal taxes and association fees	5,735	2,936
Accountant	10,000	11,600
Gifts	3,453	6,570
Insurance	822	847
Travel	1,648	3,568
Other	(565)	(1,625)
Depreciation costs	3,455	4,056
	<u>82,921</u>	<u>107,931</u>

Note 10 - Net Financing Costs

	December 31	
	2009	2010
	NIS	
Bank interest and commissions	8,892	7,373
Differences in exchange rates	12,129	121
Income from interest	(678)	(5,870)
	<u>20,343</u>	<u>1,624</u>

Hotline for Migrant Workers (R.A.)

Addendum to the Financial Statements for December 31, 2010

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	239,604	General Support
Sigrid Rausing Trust	57,505	General Support
	<u>297,109</u>	
The New Israel Fund	73,481	Refugees
The New Israel Fund (at the request of an anonymous donor)	115,593	General Support
	<u>189,074</u>	
UNHCR	488,350	Refugees
Sebba Trust	150,000	Refugees
Moriah Fund	71,148	Refugees
The Zanvyl and Isabelle Krieger Foundation	110,490	Minors and Children
Cafod	58,100	Migrants
The Beracha Fund	39,620	Unaccompanied Minors
Steinhardt Foundation	37,000	Minors and Children
Ministry of Justice	50,000	Combating Trafficking in Persons
EU Commission (Joint project with CET)	66,689	Human Rights Education
UN VTSCSF	37,402	Combating Trafficking in Persons
US State Department	22,441	Combating Trafficking in Persons

Addendum B: List of donations received from external political entities

<u>Name of Donor</u>	<u>NIS</u>	<u>Purpose</u>
UNHCR	488,530	Refugees
EU Commission (Joint project with CET)	66,689	Human Rights Education
US State Department	22,441	Combating Trafficking in Persons
UN VTSCSF	37,402	Combating Trafficking in Persons
US Embassy in Israel	7,392	Resource Center
Total	<u><u>622,274</u></u>	

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	Rozen Sigal	116,340	37,165	153,505
2	Berman Yonatan	113,623	36,307	149,930
3	Saar Emi	112,847	35,945	148,692
4	Korzen Bat-Sheva	84,631	22,957	107,588
5	Lifshitz Osnat	80,036	25,303	105,339