

Hotline for Migrant Workers (R.A.)

Financial Reports

For December 31, 2011

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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, 2011 and 2010 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, 2011 and 2010 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 15t, 2012

Hotline for Migrant Workers (R.A.)

Balance Sheet

	Note	2010	2011
		NIS	NIS
Current Assets			
Cash and cash equivalents		1,007,879	741,182
Prepaid Expenses	2	148,800	161,169
		<u>1,156,679</u>	<u>902,351</u>
Fixed Assets			
Cost	3	284,222	307,163
Minus accumulated depreciation		(176,395)	(204,569)
		<u>107,827</u>	<u>102,594</u>
Other Assets			
Cost		37,418	37,418
Minus accumulated depreciation		(27,044)	(33,931)
		<u>10,374</u>	<u>3,487</u>
		<u>1,274,880</u>	<u>1,008,432</u>
Current Liabilities			
Suppliers and service providers	4	43,493	90,453
Creditors and positive balance amounts	5	150,684	308,821
		<u>194,177</u>	<u>399,274</u>
Reserves			
Severance pay reserve	6	16,618	43,446
Net Assets			
Unrestricted net assets:			
For activities usage		651,932	156,671
Used for buying tangible fixed assets		118,201	106,081
		<u>770,133</u>	<u>262,752</u>
Temporarily restricted net assets:		<u>293,952</u>	<u>302,960</u>
		<u>1,064,085</u>	<u>565,712</u>
		<u>1,274,880</u>	<u>1,008,432</u>

Myriam Darmoni Sharvit
Board Chairperson

Ellen Kuchali
Board Chairperson

Tel-Aviv, June 15th, 2012

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>Notes</u>	<u>2010</u>	<u>2011</u>
			<u>NIS</u>
Turnover from Activities			
Donations		1,052,772	476,193
Governemnt grants	7	15,578	84,406
Membership dues		13,929	4,900
Other income		75,838	100,391
Amounts released from restriction		917,946	<u>1,126,363</u>
Total Turnover from Activities		2,076,063	<u>1,792,253</u>
Cost of activities	8	1,755,344	<u>2,053,257</u>
Net Revenues from Activities		320,719	<u>(261,004)</u>
General and Administrative Expenses	9	107,931	101,568
Fundraising		<u>82,655</u>	<u>144,966</u>
Net Revenues Before Financing		130,133	<u>(507,538)</u>
Net financing costs	10	<u>1,624</u>	<u>157</u>
Net Surplus (Deficit) for This Year		<u>128,509</u>	<u>(507,381)</u>

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				
Balance as at December 31, 2009	549,317	92,307	342,825	984,449
Transactions in 2010				
Additions during the year				
Donations	--	--	869,073	869,073
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
Transactions in 2011				
Additions during the year				
Donations	--	--	1,135,371	1,135,371
Net surplus (deficit) for the year	(507,381)	--	--	(507,381)
Withdrawals during the year				
Amounts released from restriction	--	--	(1,126,363)	1,126,363
Transfer of amounts on which there is no restriction used for fixed assets	(22,941)	22,941	--	--
Amounts transferred to cover depreciation expenses	35,061	(35,061)	--	--
Balance as at December 31, 2011	156,671	106,081	302,960	565,712

(*) 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, 2011

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>2010</u>	<u>2011</u>	<u>Rates of change during the year</u>
Consumer price index	101.80	104	2.16%
U.S. dollar	3.549	4	7.66%
Euro	4.739	5	4.20%

- 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, 2011

Note 2 - Prepaid Expenses

	December 31	
	2010	2011
	NIS	
Income tax	--	--
Income to be received	96,921	114,526
Prepaid expenses	51,879	46,643
	<u>148,800</u>	<u>161,169</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	104,460	16,932	--	121,392
Computers and computer equipment	156,725	3,573	--	160,298
Renovation of rented offices	23,037	2,436	--	25,473
	<u>284,222</u>	<u>22,941</u>	--	<u>307,163</u>
Accumulated depreciation:				
Furniture and equipment	43,144	12,359	--	55,503
Computers and computer equipment	128,107	14,199	--	142,306
Renovation of rented offices	5,144	1,616	--	6,760
	<u>144,068</u>	<u>28,174</u>	--	<u>204,569</u>
Net fixed assets:	<u>107,827</u>			<u>102,594</u>

Note 4 - Suppliers and service providers

	December 31	
	2010	2011
	NIS	
Suppliers and service providers	33,492	20,342
Checks to be redeemed	10,001	70,111
	<u>43,493</u>	<u>90,453</u>

Note 5 - Creditors and positive balance amounts

	December 31	
	2010	2011
	NIS	
Expenses payable	14,875	19,122
Various creditors	61,099	1,000
Institutions	39,853	43,114
Employees	2,692	83,676
Provision for staff vacation pay	32,165	36,527
Advanced income	----	125,382
	<u>150,684</u>	<u>308,821</u>

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Notes to the Financial Statements for December 31, 2011

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	
	2010	2011
Severance pay reserve		
	NIS	
	16,618	43,446

Note 7 - Governemnt grants

Includes grant from the Tel Aviv Municipality for 2011 in the sum of 14,406 NIS (15,578 NIS in 2010). In addition, the Association was granted a reduction in municipal taxes in the sum of 18,276 NIS, which were decreased from the expenses in 2011 (18024 NIS in 2010).

Note 8 - Cost of Activities

	December 31	
	2010	2011
	NIS	
Wages and related expenses	1,090,580	1,309,028
National service volunteers	49,459	41,499
Office supplies	67,756	112,438
Books, research and training	19,864	57,868
Publishing expenses	4,518	7,253
Public activities and events	101,288	49,199
Rent	61,582	91,200
Post, telephone and communications	64,498	37,542
Humanitarian aid	8,857	8,209
Legal expenses	174,284	202,719
Insurance	7,620	11,412
Travel	28,587	34,736
Travel abroad	13,518	7,418
Municipal taxes and association fees	26,428	49,429
Depreciation expenses	36,505	33,308
	<u>1,755,344</u>	<u>2,053,257</u>

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Notes to the Financial Statements for December 31, 2011

Note 9 - General and Administrative Expenses

	December 31	
	2010	2011
	NIS	
Wages and related expenses	28,434	29,884
Office supplies	7,529	10,234
Post, telephone and communications	7,166	1,976
Rent and maintenance	6,843	4,800
Bookkeeping	30,007	30,000
Municipal taxes and association fees	2,936	2,602
Accountant	11,600	11,600
Gifts	6,570	5,082
Insurance	847	601
Travel	3,568	3,838
Other	(1,625)	(801)
Depreciation costs	4,056	1,753
	<u>107,931</u>	<u>101,568</u>

Note 10 - Net Financing Costs

	December 31	
	2010	2011
	NIS	
Bank interest and commissions	7,373	8,648
Differences in exchange rates	121	2,802
Income from interest	(5,870)	(11,607)
	<u>1,624</u>	<u>(157)</u>

Hotline for Migrant Workers (R.A.)

Addendum to the Financial Statements for December 31, 2011

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	286,300	General Support
Sigrid Rausing Trust	59,000	General Support
	<u>345,300</u>	
The New Israel Fund		
UNHCR	28,519	Refugees
Sebba Trust	537,600	Refugees
Moriah Fund	150,000	Refugees
The Zanyvl and Isabelle Krieger Foundation	72,328	Refugees
Cafod	88,315	Minors and Children
Ministry of Justice	57,480	Migrants
UN VTSCSF	70,000	Combating Trafficking in Persons
US State Department	20,886	Combating Trafficking in Persons
UNODC	71,702	Combating Trafficking in Persons
CIMI (EU)	23,325	Combating Trafficking in Persons
Rupin College (EU)	34,569	Combating Trafficking in Persons
	24,500	Research recruitment of Migrant Workers

Addendum B: List of donations received from external political entities

<u>Name of Donor</u>	<u>NIS</u>	<u>Purpose</u>
UNHCR	357,600	Refugees
UN VTSCSF		
US State Department	20,886	Combating Trafficking in Persons
UNODC	71,702	Combating Trafficking in Persons
CIMI (EU)	23,325	Combating Trafficking in Persons
Rupin College (EU)	34,569	Combating Trafficking in Persons
Total	<u>24,500</u>	Research recruitment of Migrant Workers

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	134,615	45,291	179,906
2	Rozen Sigal	116,904	40,859	157,763
3	Saar Emi	113,422	35,620	149,042
4	Lifshitz Osnat	101,229	36,870	138,099
5	Berman Yonatan	99,963	29,415	129,378