

**Kav Laoved – Worker's Hotline**  
**(Registered Amuta)**

**FINANCIAL STATEMENTS**

**AS AT DECEMBER 31, 2018**

**Kav Laoved – Worker's Hotline**  
**(Registered Amuta)**

**FINANCIAL STATEMENTS**

**AS AT DECEMBER 31, 2018**

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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, 2018 and 2017, 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, 2018 and 2017, 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, July 25, 2019

  
Ziv Haft

Certified Public Accountants (Isr.)

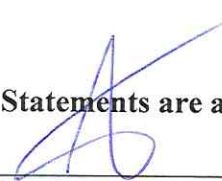
# Kav Laoved – Worker's Hotline (R.A.)

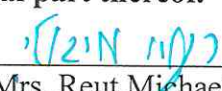
## Statement of Financial Position (in NIS)

	<u>Note</u>	<u>31.12.2018</u>	<u>31.12.2017</u>
<b><u>ASSETS</u></b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		916,149	229,637
Income receivable	3	366,930	321,672
Debtors and debit balances	4	47,015	43,817
		<u>1,330,094</u>	<u>595,126</u>
<b>NON - CURRENT ASSETS</b>			
Fixed assets, net	5	<u>60,914</u>	<u>82,595</u>
		<u>1,391,008</u>	<u>677,721</u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT LIABILITIES</b>			
Suppliers and service providers	6	94,390	329,723
Creditors and credit balances	7	<u>391,426</u>	<u>184,567</u>
		<u>485,816</u>	<u>514,290</u>
<b>NON - CURRENT LIABILITIES</b>			
Provision for cessation of employee-employer relationship, net	8	<u>37,779</u>	<u>56,097</u>
<b>NET ASSETS</b>			
<b>Unrestricted net assets</b>			
Used for operations		806,499	24,739
Used for fixed assets		<u>60,914</u>	<u>82,595</u>
		<u>867,413</u>	<u>107,334</u>
<b>Restricted net assets</b>			
Temporarily restricted	9	<u>-</u>	<u>-</u>
		<u>867,413</u>	<u>107,334</u>
		<u>1,391,008</u>	<u>677,721</u>

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

July 25, 2019  
Date of approval of the  
financial statements

  
Mrs. Anne Suci  
Member of the Amuta's  
Committee

  
Mrs. Reut Michaeli  
Member of the Amuta's  
Committee

**Kav Laoved – Worker's Hotline (R.A.)**

**Statement of Activities**

**(in NIS)**

	<b>Note</b>	<b>For the Year Ending</b>	
		<b>31.12.2018</b>	<b>31.12.2017</b>
Operating turnover	10,11	4,546,896	4,112,212
Operating costs	12	3,280,845	3,313,132
<b>Net income from Activities</b>		1,266,051	799,080
Administrative and general expenses	13	664,265	767,448
<b>Net income before financial expenses</b>		601,786	31,632
Net financial expenses		12,410	19,578
Miscellaneous income (prior years)		170,703	-
<b>Net income for the year</b>		760,079	12,054

**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>Used for fixed assets</u>	<u>Temporarily restricted net assets</u>	
<b>Balance as at January 1, 2017</b>	<b>1,868</b>	<b>93,412</b>	<b>610,955</b>	<b>706,235</b>
Net expense for the year	12,054	-	-	12,054
Contributions	-	-	837,686	837,686
Amounts transferred from unrestricted net assets used for acquisition of fixed assets	(21,118)	21,118	-	-
Amounts transferred to cover depreciation expenses	31,935	(31,935)	-	-
Amounts released from restrictions	-	-	(1,448,641)	(1,448,641)
<b>Balance as of December 31, 2017</b>	<b>24,739</b>	<b>82,595</b>	<b>-</b>	<b>107,334</b>
Net income for the year	760,079	-	-	760,079
Contributions	-	-	-	-
Amounts transferred from unrestricted net assets used for acquisition of fixed assets	(4,930)	4,930	-	-
Amounts transferred to cover depreciation expenses	26,611	(26,611)	-	-
Amounts released from restrictions	-	-	-	-
<b>Balance as of December 31, 2018</b>	<b>806,499</b>	<b>60,914</b>	<b>-</b>	<b>867,413</b>

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



**Kav Laoved – Worker's Hotline (R.A.)**

**Statement of Cash Flows**

(in NIS)

	<b>For the Year Ending</b>	
	<b><u>31.12.2018</u></b>	<b><u>31.12.2017</u></b>
<b><u>Cash flows from operating activities</u></b>		
Net income for the year	760,079	12,054
Adjustments to reconcile to net cash from operating activities (Schedule 1)	<u>(68,637)</u>	<u>(1,413,733)</u>
Net cash used for operating activities	<u>691,442</u>	<u>(1,401,679)</u>
 <b><u>Cash flow from investment activities</u></b>		
Purchase of fixed assets	<u>(4,930)</u>	<u>(21,118)</u>
Net cash used for investment activities	<u>(4,930)</u>	<u>(21,118)</u>
 <b><u>Cash flow from Financing Activities</u></b>		
Restricted contributions	<u>-</u>	<u>837,686</u>
Net cash provided by financial activities	<u>-</u>	<u>837,686</u>
 <b>Increase (decrease) in cash and cash equivalents</b>	686,512	(585,111)
<b>Cash and cash equivalents at the beginning of the year</b>	<u>229,637</u>	<u>814,748</u>
<b>Cash and cash equivalents at the end of the year</b>	<u>916,149</u>	<u>229,637</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**

	<b>For the Year Ending</b>	
	<b><u>31.12.2018</u></b>	<b><u>31.12.2017</u></b>
Amounts released from temporarily restricted	-	(1,448,641)
Depreciation	26,611	31,935
Decrease in severance pay reserve, net	(18,318)	31,315
<b>Changes in assets and liabilities:</b>		
Decrease (Increase) in income receivable	(45,258)	9,861
Decrease (Increase) in debtors and debit balances	(3,198)	(18,118)
Increase (Increase) in suppliers and service providers	(235,333)	86
Increase (Decrease) in creditors and credit balances	<u>206,859</u>	<u>(20,171)</u>
	<u>(68,637)</u>	<u>(1,413,733)</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, 2018**

#### **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.
Temporary restriction	- A restriction that expires or is removed upon the occurrence of a specific event or with the passage of time, or that can be fulfilled or removed with the performance of specific activities, all of which are contingent upon the conditions imposed by the donors or the outside factors which provided the funds.

##### **B. 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.

## **Kav Laoved – Worker's Hotline (R.A.)**

### **Notes to the Financial Statements as of December 31, 2018**

#### **Note 2 - Significant Accounting Policies (contd.):**

##### **C. 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:

	<b><u>31.12.2018</u></b>	<b><u>31.12.2017</u></b>
CPI (in points)	101.2	100.4
U.S. dollar (in Shekels to 1 Dollar)	3.748	3.467

	<b><u>Rate of change (%) for the year ended on</u></b>	
	<b><u>31.12.2018</u></b>	<b><u>31.12.2017</u></b>
CPI	0.8	0.4
U.S. dollar	8.10	(9.83)

##### **D. 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, 2018**

**Note 2 - Significant Accounting Policies (contd.):**

**E. 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

**F. 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.

**G. 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.

**H. 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, 2018**

(in NIS)

**Note 3 - Income receivable:**

	<u>31.12.2018</u>	<u>31.12.2017</u>	<u>31.12.2018</u>	<u>31.12.2017</u>
	NIS	NIS	\$	\$
Ministry of work and welfare	320,244	302,902	85,444	87,367
UNISON International Development Fund	33,530	10,770	8,946	3,106
Others	13,156	8,000	3,510	2,307
	<u>366,930</u>	<u>321,672</u>	<u>97,900</u>	<u>92,780</u>

**Note 4 - Debtors and Debit Balances:**

	<u>31.12.2018</u>	<u>31.12.2017</u>
Advances to suppliers	28,500	26,499
Checks payable	3,980	13,000
Others	14,535	4,318
	<u>47,015</u>	<u>43,817</u>

# Kav Laoved – Worker's Hotline (R.A.)

## Notes to the Financial Statements as of December 31, 2018

(in NIS)

### Note 5 - Fixed Assets, Net:

				<u>Total</u>	
	<u>Furniture and fixtures</u>	<u>Computers and peripheral equipment</u>	<u>Leasehold improvements</u>	<u>2018</u>	<u>2017</u>
<u>Cost</u>					
Balance at January 1	394,255	411,277	125,609	931,141	910,023
Acquisitions	4,930	-	-	4,930	21,118
Balance at December 31	<u>399,185</u>	<u>411,277</u>	<u>125,609</u>	<u>936,071</u>	<u>931,141</u>
<u>Accumulated depreciation</u>					
Balance at January 1	365,297	362,176	121,073	848,546	816,611
Depreciation	6,570	17,874	2,167	26,611	31,935
Balance at December 31	<u>371,867</u>	<u>380,050</u>	<u>123,240</u>	<u>875,157</u>	<u>848,546</u>
Fixed assets, net at December 31	<u>27,318</u>	<u>31,227</u>	<u>2,369</u>	<u>60,914</u>	<u>82,595</u>

### Note 6 - Suppliers and Service Providers:

	<u>31.12.2018</u>	<u>31.12.2017</u>
Post-dated checks	17,540	121,416
Expenses payable	29,064	208,307
Suppliers and service Providers	<u>47,786</u>	<u>-</u>
	<u>94,390</u>	<u>329,723</u>



**Kav Laoved – Worker's Hotline (R.A.)**  
**Notes to the Financial Statements as of December 31, 2018**  
**(in NIS)**

**Note 7 - Creditors and Credit Balances:**

	<u>31.12.2018</u>	<u>31.12.2017</u>
Institutions	79,209	51,750
Rights of the employees represented by the Amuta	-	230
Provision for audit	23,400	26,024
Vacation pay liability	124,129	106,563
Income in advance	164,688	-
	<u>391,426</u>	<u>184,567</u>

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

	<u>31.12.2018</u>	<u>31.12.2017</u>
Provision for severance pay	40,975	71,250
Less – Deposits in severance pay funds	(3,196)	(15,153)
	<u>37,779</u>	<u>56,097</u>



# Kav Laoved – Worker's Hotline (R.A.)

## Notes to the Financial Statements as of December 31, 2018

(in NIS)

### **Note 9 - Temporarily Restricted Net Assets:**

	<u>Balance as at January 1, 2018</u>	<u>Restricted Contributions</u>	<u>Amounts released from restrictions</u>	<u>Balance as of December 31, 2018</u>
The European Union	-	548,936	(548,936)	-
United Nation High Commissioner for Refugees	-	201,376	(201,376)	-
FELM	-	145,249	(145,249)	-
CIMI	-	43,854	(43,854)	-
Un Slavery Fund	-	52,993	(52,993)	-
Manof Fund	-	2,413	(2,413)	-
Bader Philanthropy Fund through AJDC	-	52,996	(52,996)	-
New Israel Fund	-	10,213	(10,213)	-
Saba Fund	-	120,000	(120,000)	-
Goldman Sachs Philanthropy Fund	-	85,000	(85,000)	-
Namati Inc	-	35,329	(35,329)	-
Catherine Fund	-	34,046	(34,046)	-
Arkon Family Fund	-	20,000	(20,000)	-
P.E.F Israel Endowment Fund Inc	-	72,626	(72,626)	-
Rosa Luxemburg Fund	-	41,581	(41,581)	-
Arkin Holding LTD Fund	-	80,000	(80,000)	-
New Australia Fund	-	26,314	(26,314)	-
New Israel Fund of Emergency Donation to Refugees	-	26,314	(26,314)	-
Embassy of Canada	-	4,232	(4,232)	-
<b>Total</b>	<u>-</u>	<u>1,695,367</u>	<u>(1,695,367)</u>	<u>-</u>

# **Kav Laoved – Worker's Hotline (R.A.)**

## **Notes to the Financial Statements as of December 31, 2018**

(in NIS)

### **Note 10 - Operating Turnover:**

#### **Composition according to donor**

	<b>For the Year Ending</b>	
	<b><u>31.12.2018</u></b>	<b><u>31.12.2017</u></b>
Donations from Funds (see Note 11)	1,944,792	1,927,525
Donations from private donors (see Note 11)	358,806	289,645
	<u>2,303,598</u>	<u>2,217,170</u>
Income from handling claims	1,125,557	842,266
Donations in kind (*)	777,598	685,824
Membership fees	6,150	16,250
Allocations(**)	333,993	350,702
	<u>4,546,896</u>	<u>4,112,212</u>

(\*) Consisting of:

	<b>For the Year Ending</b>	
	<b><u>31.12.2018</u></b>	<b><u>31.12.2017</u></b>
Volunteers' activities (1)	762,598	670,824
Volunteers' insurance	15,000	15,000
	<u>777,598</u>	<u>685,824</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 28.96 NIS.

(\*\*) Consisting of:

	<b>For the Year Ending</b>	
	<b><u>31.12.2018</u></b>	<b><u>31.12.2017</u></b>
Estates Committee	-	22,000
Tel Aviv Municipality	13,749	25,800
Ministry of Work and Welfare	320,244	302,902
	<u>333,993</u>	<u>350,702</u>

# Kav Laoved – Worker's Hotline (R.A.)

## Notes to the Financial Statements as of December 31, 2018

(in NIS)

### **Note 11 – Donations from Institutions and Private Donors:**

	<b>For the Year Ending</b>	
	<b>31.12.2018</b>	<b>31.12.2017</b>
The New Israel Fund	10,213	70,608
The European Union	548,936	714,942
Friendship Foundation	-	10,501
Christian Aid	-	80,504
The Samuel Sebba Charitable Trust	320,000	320,000
UNISON International Development Fund	91,895	-
United Nation High Commissioner for Refugees	201,376	236,464
Bader Philanthropies	-	87,771
Un slavery fund	52,993	73,094
FELM	145,249	121,883
The Hadassah Foundation	-	71,930
CIMI	43,854	41,328
Bader Philanthropic fund through the AJDC Committee for agricultural workers	-	28,124
Bader Philanthropic fund through the AJDC Committee for the renovation of reception area in Tel Aviv	52,996	-
Bader Philanthropic fund through the AJDC committee for contractor teachers in Nazareth	-	70,376
Goldman Sachs Philanthropy Fund	272,629	-
Namati Inc	35,329	-
Catherine Fund	34,046	-
P.E.F Israel Endowment Fund Inc	72,626	-
Arkon Family Fund	20,000	-
Rosa Luxemburg Fund	41,581	-
Arkin Holdings LTD Fund	80,000	-
New Australia Fund	26,314	-
New Israel Fund of Emergency Donation to Refugees	26,314	-
Embassy of Canada	4,232	-
Manof Fund	2,413	-
	<u>2,083,106</u>	<u>1,927,525</u>
Donations via the Internet and private donation	148,626	133,885
Private Donation via PEF	-	110,054
Donations from businesses and companies	34,237	45,706
Donation from abroad	37,629	-
	<u>220,492</u>	<u>289,645</u>
	<u>2,303,598</u>	<u>2,217,170</u>

**Kav Laoved – Worker's Hotline (R.A.)**

**Notes to the Financial Statements as of December 31, 2018**

(in NIS)

**Note 12 - Operating Costs:**

	<b><u>For the Year Ending</u></b>	
	<b><u>31.12.2018</u></b>	<b><u>31.12.2017</u></b>
Salaries and related expenses	1,542,386	1,605,436
Volunteers' work	762,598	670,824
Assistance and legal guidance	4,661	78,792
Rent and maintenance of the association's branches	376,384	387,819
Communications	54,396	103,012
Travel	66,282	63,750
Information activities	119,502	202,937
Computers maintenance	47,556	32,245
Insurance (see Note 10)	15,000	15,000
Conferences and workshops	155,885	20,280
Depreciation	18,628	22,354
National Service	117,567	110,683
	<b><u>3,280,845</u></b>	<b><u>3,313,132</u></b>

**Note 13 – Administrative and General Expenses:**

	<b><u>For the Year Ending</u></b>	
	<b><u>31.12.2018</u></b>	<b><u>31.12.2017</u></b>
Salaries and related expenses	472,931	549,347
Rental and building maintenance	48,010	49,803
Communications	6,597	11,531
Office expenses and computer maintenance	14,286	29,919
Professional services	26,397	71,184
Refreshments and gifts to volunteers	7,847	5,514
Fees	1,537	1,300
Travel	14,701	17,025
Legal expenses	17,191	8,284
Depreciation	7,983	9,581
Others	43,100	13,960
Fundraising	3,685	-
	<b><u>664,265</u></b>	<b><u>767,448</u></b>

**Kav Laoved – Worker's Hotline (R.A.)**

**Notes to the Financial Statements as of December 31, 2018**

(in NIS)

**Note 14 – Recipients of the highest wages:**

<u>Name</u>	<u>ID No.</u>	<u>Position</u>	<u>Annual salaries cost</u>	
			<u>2018</u>	<u>2017</u>
Adv. Khaled Dukhi	024733917	Lawyer, Director of Labor & employment Law Department	188,000	183,517
Adv. Nicola Gadir	021829791	Lawyer, Nazareth branch coordinator	186,431	183,915
Bar Iris	057673832	Haifa branch coordinator	158,158	157,147
Adv. Tager Michal	034097501	Lawyer, Labor & employment law	177,736	177,386
Hagar Memon	021897863	Fundraising	101,529	30,796
Noa Kaufman	039409420	Refugees Coordinator	149,831	114,789
Abed Darry	080667108	Labor & Employment Law	109,071	109,729

