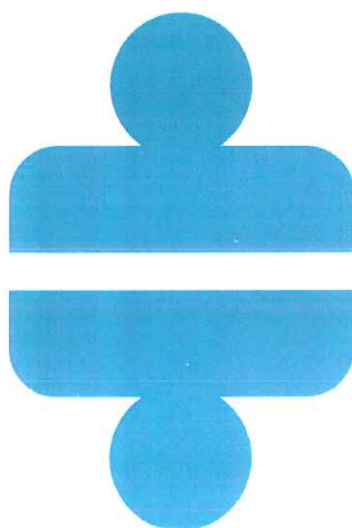


## ACCESS ISRAEL (N.G.O.)

Registered society no' 580341204



**Access Israel**  
www.aisrael.org

## FINANCIAL STATEMENTS

31 DECEMBER 2010

**ACCESS ISRAEL (N.G.O.)**  
**registered society no' 580341204**

**FINANCIAL STATEMENTS**

**31 DECEMBER 2010**

**ACCESS ISRAEL (N.G.O.)**  
**registered society No' 580341204**

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**ACCESS ISRAEL (N.G.O.)**  
**Independent Auditor's Report**

We have audited the accompanying balance sheets of ACCESS ISRAEL (N.G.O.- Non Governmental Organization) as of 31 December, 2010 and 2009 and the related statements of operations for the years ended 31 December, 2010 and 2009. These financial statements are the responsibility of the management of the organization. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with generally accepted auditing standards, including those prescribed by the Auditors' (Mode of Performance) Regulations (Israel), 1973. Those standards required that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, 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 management of the Organization, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

These financial statements are in nominal values. Information about reported amounts as stated at the Israel accounting standards board, were not included in these financial statements.

In our opinion, the aforementioned financial statements present fairly the financial position of the organization as of 31 December, 2010 and 2009 and the results of its operations for the years ended 31 December, 2010 and 2009, in conformity with generally accepted accounting principles.

  
Ezra kadouri & Co.  
Certified Public Accountants (Israel)

Petah-Tikva, Israel,  
March 31, 2011

**ACCESS ISRAEL (N.G.O.)**

**BALANCE SHEET**

|  |                    | <b><u>31 December</u></b> |                    |
|--|--------------------|---------------------------|--------------------|
|  | <b><u>Note</u></b> | <b><u>2010</u></b>        | <b><u>2009</u></b> |
|  |                    | <b><u>NIS</u></b>         | <b><u>NIS</u></b>  |
| <b><u>Current assets</u></b>           |                    |                           |                    |
| Cash and bank cashier                  |                    | 1,668,628                 | 1,857,269          |
| Cheques for collection                 |                    | 13,935                    | 16,180             |
| Other receivables                      | 2                  | 205                       | 5,785              |
|  |                    | <u>1,682,768</u>          | <u>1,879,234</u>   |
| <b><u>Investments</u></b>              |                    |                           |                    |
| Retirement benefit, net                | 3                  | 49,985                    | 39,085             |
| <b><u>Fixed assets, net</u></b>        |                    |                           |                    |
|  | 4                  | <u>37,466</u>             | <u>55,943</u>      |
| <b>Total assets</b>                    |                    | <u>1,770,219</u>          | <u>1,974,262</u>   |
| <b><u>Current liabilities</u></b>      |                    |                           |                    |
| Notes Payable                          |                    | 39,561                    | 140,644            |
| Suppliers                              |                    | 7,190                     | 7,041              |
| Accounts Payable                       |                    | 115,400                   | 103,884            |
|  |                    | <u>162,151</u>            | <u>251,569</u>     |
| <b><u>Assets, net</u></b>              |                    |                           |                    |
| Used to purchase fixed assets          |                    | 37,466                    | 55,943             |
| Net assets with temporary restrictions | 5                  | 662,457                   | 467,234            |
| Used for activities                    |                    | 908,145                   | 1,199,516          |
| Total                                  |                    | <u>1,608,068</u>          | <u>1,722,693</u>   |
| <b>Total liabilities</b>               |                    | <u>1,770,219</u>          | <u>1,974,242</u>   |

  
\_\_\_\_\_  
Yuval Wagner  
Access Israel Chairman

  
\_\_\_\_\_  
Rani Benjamini  
Access Israel Treasurer

The accompanying notes are an integral part of the financial statements

ACCESS ISRAEL (N.G.O.)

STATEMENT OF OPERATING ACTIVITIES

|   | <u>Note</u> | <u>For the year ended</u> |                |
|---|-------------|---------------------------|----------------|
|   |             | <u>31 December</u>        |                |
|   |             | <u>2010</u>               | <u>2009</u>    |
|   |             | <u>NIS</u>                | <u>NIS</u>     |
| Total Revenue                             | 6           | 3,281,592                 | 3,332,674      |
| Operating Expenses                        | 7           | 2,738,575                 | 2,843,288      |
| <b>Operating Income from activities</b>   |             | <u>543,017</u>            | <u>489,386</u> |
| Administrative and general expenses       | 8           | 417,520                   | 418,352        |
| <b>Net Income before financial income</b> |             | <u>125,497</u>            | <u>71,034</u>  |
| Financial Income net                      |             | 14,655                    | 17,597         |
| <b>Net Profit for the year</b>            |             | <u>140,152</u>            | <u>88,631</u>  |

The accompanying notes are an integral part of the financial statements

**ACCESS ISRAEL (N.G.O.)**

**STATEMENT OF CHANGES IN ASSETS, NET**

|   | <b><u>Unrestricted</u></b>                         |  | <b><u>Restricted</u></b> |                   |                   | <b><u>TOTAL</u></b> |
|---|--|--|--------------------------|-------------------|-------------------|---------------------|
|   | <b><u>For Activities</u></b>                       |  | <b>For Fixed Assets</b>  | <b>Temporary</b>  | <b>Permanent</b>  |                     |
|   | <b>Not marked<br/>by nonprofit<br/>institution</b> | <b>Designated<br/>by nonprofit<br/>institution</b> |                          |                   |                   |                     |
|   | <b><u>NIS</u></b>                                  | <b><u>NIS</u></b>                                  | <b><u>NIS</u></b>        | <b><u>NIS</u></b> | <b><u>NIS</u></b> | <b><u>NIS</u></b>   |
| <b>Balance at 1st January 2008</b>  | <b>1,423,623</b>                                   | -  | <b>87,072</b>            | <b>363,900</b>    | -                 | <b>1,874,595</b>    |
| Allocations   | -  | -  | -                        | 227,400           | -                 | 227,400             |
| Expenses  | -  | -  | -                        | (222,125)         | -                 | (222,125)           |
| Year net income/(deficit)   | (53,867)   | -  | -                        | -                 | -                 | (53,867)            |
| Net assets released amounts<br>Limited - used to purchase<br>fixed assets | (48,377)   | -  | 48,377                   | -                 | -                 | -                   |
| Amounts transferred to cover<br>depreciation costs                        | 41,818   | -  | (41,818)                 | -                 | -                 | -                   |
| Amounts designated by the<br>organization                                 | (190,000)  | -  | -                        | 190,000           | -                 | -                   |
| <b>Balance at 31 December 2008</b>  | <b>1,173,197</b>                                   | -  | <b>93,631</b>            | <b>559,175</b>    | -                 | <b>1,826,003</b>    |
| Allocations   | -  | -  | -                        | 206,456           | -                 | 206,456             |
| Expenses  | -  | -  | -                        | (398,397)         | -                 | (398,397)           |
| Year net income/(deficit)   | 88,631   | -  | -                        | -                 | -                 | 88,631              |
| Amounts transferred to cover<br>depreciation costs                        | 37,688   | -  | (37,688)                 | -                 | -                 | -                   |
| Amounts designated by the<br>organization                                 | (100,000)  | -  | -                        | 100,000           | -                 | -                   |
| <b>Balance at 31 December 2009</b>  | <b>1,199,516</b>                                   | -  | <b>55,943</b>            | <b>467,234</b>    | -                 | <b>1,722,693</b>    |
| Allocations   | -  | -  | -                        | 104,541           | -                 | 104,541             |
| Expenses  | -  | -  | -                        | (359,318)         | -                 | (359,318)           |
| Year net income/(deficit)   | 140,000  | -  | -                        | -                 | -                 | 140,152             |
| Net assets released amounts<br>Limited - used to purchase<br>fixed assets | (8,538)  | -  | 8,538                    | -                 | -                 | -                   |
| Amounts transferred to cover<br>depreciation costs                        | 27,015   | -  | (27,015)                 | -                 | -                 | -                   |
| Amounts designated by the<br>organization                                 | (450,000)  | -  | -                        | 450,000           | -                 | -                   |
| <b>Balance at 31 December 2010</b>  | <b>908,145</b>                                     | -  | <b>37,466</b>            | <b>662,457</b>    | -                 | <b>1,608,068</b>    |

The accompanying notes are an integral part of the financial statements

**ACCESS ISRAEL (N.G.O.)**  
**CASH FLOW STATEMENT**

|   | <b><u>For the Year</u></b>      |                    |
|---|---------------------------------|--------------------|
|   | <b><u>Ended 31 December</u></b> |                    |
|   | <b><u>2010</u></b>              | <b><u>2009</u></b> |
|   | <b><u>NIS</u></b>               | <b><u>NIS</u></b>  |
| <b><u>Cash flow from current activities</u></b>   |                                 |                    |
| Surplus (Deficit)   | 140,152                         | 88,631             |
| Adjustments required to present cash flows from operations and cash equivalents, Appendix A | (65,478)                        | 64,498             |
| <b>Net cash deriving from (used for) current activities</b>                                 | <b>74,674</b>                   | <b>153,129</b>     |
| <b><u>Cash flow from investment activities</u></b>  |                                 |                    |
| Purchase of fixed assets  | (8,538)                         | -                  |
| <b>Net cash deriving from (used for) investment activities</b>                              | <b>(8,538)</b>                  | <b>-</b>           |
| <b><u>Cash flow from financing activities</u></b>   |                                 |                    |
| Temporarily restricted assets transfer  | (254,777)                       | (191,941)          |
| <b>Net cash deriving from (used for) financing activities</b>                               | <b>(254,777)</b>                | <b>(191,941)</b>   |
| (Decrease) increase in cash and cash equivalents  | (188,641)                       | (38,812)           |
| Balance of cash and cash equivalents at beginning of year                                   | 1,857,269                       | 1,896,081          |
| <b>Balance of cash and cash equivalents at end of year</b>                                  | <b>1,668,628</b>                | <b>1,857,269</b>   |
| <br><b><u>Appendix A</u></b>  |                                 |                    |
| <b>Income and expenses not involving cash flow:</b>   |                                 |                    |
| Depreciation and amortization   | 27,015                          | 37,688             |
| Appointed to the reserve surplus (increase)   | (10,900)                        | (18,076)           |
| <b>Changes in assets and liabilities</b>  |                                 |                    |
| Increase (decrease) of checks for collection  | 2,245                           | (7,164)            |
| Increase in accounts receivable   | 5,580                           | 18,554             |
| Increase (decrease) in suppliers and service providers                                      | (100,934)                       | 8,340              |
| Increase in accounts payable  | 11,516                          | 25,154             |
|   | <b>(65,478)</b>                 | <b>64,498</b>      |

The accompanying notes are an integral part of the financial statements



**ACCESS ISRAEL (N.G.O.)**  
**FINANCIAL STATEMENTS NOTES**

**Note 1: General and main accounting policies**

A - Access Israel (N.G.O.), is an association registered by Associations Law. Its objectives are, among other things, dissemination of information databases on accessibility for the disabled and the elderly in Israel. Access Israel is registered in the IRS as non profit organization.

B - Significant accounting policies

The following significant accounting policies were applied on a consistent basis in preparing the Financial Statements:

1 - The Financial Statements are presented in accordance with Opinion No. 69 of the Institute of Certified Public Accountants in Israel.

2 - Cash and cash equivalents  
Cash equivalents refer to highly liquid investments, including, among others, short-term bank deposits with due dates not exceeding three months from the date of deposit.

3 - Short-term investments  
Stated at market value on balance sheet date, in accordance with the provisions of the Opinion of the Institute of Certified Public Accountants in Israel. The change in value of the investments is carried to Financial Income

4 - Fixed Assets  
These assets are stated at cost, less accumulated depreciation. Depreciation is computed by the straight-line method on the basis of the estimated useful life of the assets.

C - Effect of changes in general purchasing power of Israeli currency:

These financial statements were prepared in accordance with accepted accounting principles on the basis of cost convention, irrespective of the influence of changes in general purchasing power of Israeli currency on the financial statements.

ACCESS ISRAEL (N.G.O.)

FINANCIAL STATEMENTS NOTES

D - Indexation and Currency:

Foreign exchange reserves or linked to it, are included in the financial statements by currency exchange rates at balance sheet date.

Balance linked to the CPI are included, based on the last index published before the balance sheet date.

Exchange rate and linkage are charged to income with formation.

The following data is exchange rates of U.S. Dollar and consumer price index :

| Day                             | Representative exchange rate<br>of U.S. Dollar – NIS | December index<br>points |
|---------------------------------|--|--------------------------|
| 31.12.2010                      | 3.549  | 211.67                   |
| 31.12.2009                      | 3.775  | 206.2                    |
| Rate of change in the ending on |  |                          |
| 31.12.2010                      | 6%   | 2.7%                     |
| 31.12.2009                      | (0.7%)   | 3.9%                     |

\* The index average basis 1993=100

Note 2: Other Receivables

|                      | <u>31 December</u> |              |
|----------------------|--------------------|--------------|
|                      | <u>2010</u>        | <u>2009</u>  |
|                      | <u>NIS</u>         | <u>NIS</u>   |
| Prepaid expenses     | -                  | 5,580        |
| Corporate income tax | 205                | 205          |
|                      | <u>205</u>         | <u>5,785</u> |

Note 3: Retirement benefit, net

|                                 | <u>31 December</u> |               |
|---------------------------------|--------------------|---------------|
|                                 | <u>2010</u>        | <u>2009</u>   |
|                                 | <u>NIS</u>         | <u>NIS</u>    |
| Mission compensation            | 185,368            | 183,936       |
| Employees' compensation reserve | 135,383            | 144,851       |
|                                 | <u>49,985</u>      | <u>39,085</u> |

**ACCESS ISRAEL (N.G.O.)**

**FINANCIAL STATEMENTS NOTES**

**Note 4: Fixed assets, net**

|                         | <b>Cost</b>       | <b>Accumulated<br/>depreciation</b> | <b>Depreciated cost</b> |                   |
|-------------------------|-------------------|-------------------------------------|-------------------------|-------------------|
|                         | <b>31/12/2010</b> | <b>31/12/2010</b>                   | <b>31/12/2010</b>       | <b>31/12/2009</b> |
| Website                 | 146,956           | 146,955                             | 1                       | 1                 |
| Furniture and Equipment | 36,317            | 19,315                              | 17,002                  | 22,280            |
| Computer Equipment      | 253,797           | 233,334                             | 20,463                  | 33,662            |
|                         | <b>437,070</b>    | <b>372,589</b>                      | <b>37,466</b>           | <b>55,943</b>     |

**Note 5: Net assets with temporary restrictions**

|                                      | <b>Opening Balance</b> | <b>Income</b>  | <b>Expenses</b> | <b>Closing Balance</b> |
|--------------------------------------|------------------------|----------------|-----------------|------------------------|
| Yad Hanadiv                          | 81,515                 | -              | 16,240          | 65,275                 |
| Picnic areas                         | 113,264                | -              | 86,653          | 26,611                 |
| Ofir Optronics                       | 38,105                 | 18,000         | 56,105          |                        |
| D.I.C. Loans picnic areas            | -                      | 50,000         | 5,930           | 44,070                 |
| Jerusalem accessible for all         | -                      | 36,541         | 36,541          | -                      |
| Accessible tastes dinners            | 57,850                 |                | 57,850          |                        |
| Standards Institute                  | 76,500                 | -              | -               | 76,500                 |
| Education and promoting<br>awareness | 100,000                | 200,000        | 100,000         | 200,000                |
| Film production                      | -                      | 25,000         | -               | 25,000                 |
| Legal services                       | -                      | 100,000        | -               | 100,000                |
| Fundraising in Israel and<br>abroad  | -                      | 75,000         | -               | 75,000                 |
| Technology accessibility             | -                      | 50,000         | -               | 50,000                 |
| <b>Balance at 31/12/2010</b>         | <b>467,234</b>         | <b>554,541</b> | <b>359,319</b>  | <b>662,456</b>         |
| <b>Balance at 31/12/2009</b>         | <b>559,175</b>         | <b>306,456</b> | <b>398,397</b>  | <b>467,234</b>         |

1 - Yad Hanadiv

Fund is designated to accessibility studying on the internet. The donation was received by Yad Hanadiv fund, during 2008.

2 - Picnic areas

During 2008, a donation was received for establishing 3 accessible picnic areas, from the family's fund in the name of Ted Arison :

Apolonia picnic area – completed towards the end of 2009.

Ein Gedi picnic area – completed in 2009.

Jorden park picnic area – completed in 2010.

According to the Ted Arison Family Foundation instructions dated on 28 February 2010, the remain funds will be invested in additional picnic area in Apolonia.

3 - Ofir Optronics

The donation was received during 2009-2010 set to build a picnic area in Denya Park, Jerusalem. The project was completed in 2010.

## ACCESS ISRAEL (N.G.O.)

### FINANCIAL STATEMENTS NOTES

- 4 - D.I.C. Loans picnic areas  
During 2010, a 50,000 NIS donation was received from D.I.C Loans for the purpose of establishing a picnic area near Kiryat Shmona. Work on site was begun during 2010, but yet to be finished. The remain funds on 31.12.2010 are 44,070 NIS.
- 5 - Jerusalem accessible for all  
During 2010, a 36,541 NIS donation was received from Jay and Shira Ruderman for the purpose of promoting pupils' accessibility awareness in Jerusalem schools. The project was completed in 2010.
- 6 - Accessible tastes dinners  
During July 2009, a donation in amount of 77,291 NIS was received by The Gendel Charitable Trust through the Jewish Agency for Israel.  
By the end of 2010, successful accessible tastes dinners were executed and all funds were used for this purpose.
- 7 - Standards Institute  
According to the 30 December 2008 executive committee meeting protocol, promotional allowance approved standards at Standards Institute accessibility issue in amount of 90,000 NIS for activities in 2009-2010. The balance on 31 December 2010 is 76,500 NIS.
- 8 - Education and promoting awareness  
According to the 30 December 2009 executive committee meeting protocol, the committee decided to allocate 100,000 NIS as part of a dedicated fund for education and increased awareness to promote the association aims.  
According to the 20 December 2010 executive committee meeting protocol, the committee decided to allocate in addition 200,000 NIS for the same purpose. During 2010, activities in value of 100,000 NIS were executed and the fund ended with 200,000 NIS.
- 9 - Film production  
According to the 20 December 2010 executive committee meeting protocol, the committee decided to allocate 25,000 NIS as a dedicated fund for film production for increasing public awareness on accessibility issues.
- 10 - Legal services  
According to the 20 December 2010 executive committee meeting protocol, the committee decided to allocate 100,000 NIS as a dedicated fund for promoting accessibility legislation, regulations and other legal issues.

**ACCESS ISRAEL (N.G.O.)**

**FINANCIAL STATEMENTS NOTES**

11 - Fundraising in Israel and abroad

According to the 20 December 2010 executive committee meeting protocol, the committee decided to allocate 75,000 NIS as a dedicated fund for enabling fundraising in Israel and abroad.

12 - Technology accessibility

According to the 20 December 2010 executive committee meeting protocol, the committee decided to allocate 50,000 NIS as a dedicated fund for promoting technology accessibility on the internet.

**Note 6: Income from activities**

|   | <b><u>31 December</u></b> |                         |
|---|---------------------------|-------------------------|
|   | <b><u>2010</u></b>        | <b><u>2009</u></b>      |
|   | <b><u>NIS</u></b>         | <b><u>NIS</u></b>       |
| Income from donations and benefit days        | 1,764,127                 | 1,651,781               |
| Consultation and accessibility distribution   | 1,419,151                 | 1,680,893               |
| Income from education and awareness promotion | 98,314                    | -                       |
|   | <b><u>3,281,592</u></b>   | <b><u>3,332,674</u></b> |

During the years 2009-2010 the organization did not receive any governmental support of funds.

**Note 7: Cost of activities**

|  | <b><u>31 December</u></b> |                         |
|--|---------------------------|-------------------------|
|  | <b><u>2010</u></b>        | <b><u>2009</u></b>      |
|  | <b><u>NIS</u></b>         | <b><u>NIS</u></b>       |
| Salaries and related- review, entering data and coordination | 112,721                   | 207,826                 |
| Salaries and related- accessibility consultation             | 324,712                   | 432,008                 |
| Accessibility studying                                       | 53,152                    | 133,970                 |
| Web site maintenance   | 6,949                     | 3,442                   |
| Collection of contents and information                       | 189,009                   | 168,808                 |
| Subcontractors and accessibility consultants expenses        | 1,095,543                 | 1,134,954               |
| Benefit days expenses  | 47,756                    | 47,649                  |
| Fundraising expenses   | -                         | 5,776                   |
| Projects expenses  | 434,920                   | 676,445                 |
| Education expenses   | 170,991                   | -                       |
| Business Forum   | 98,415                    | -                       |
| Independence Life Space in Galil & Golan                     | 182,670                   | -                       |
| Depreciation – computers and website                         | 21,737                    | 32,410                  |
|  | <b><u>2,738,575</u></b>   | <b><u>2,843,288</u></b> |

ACCESS ISRAEL (N.G.O.)

FINANCIAL STATEMENTS NOTES

Note 8: Administrative and General Expenses

|  | <u>31 December</u> |                |
|--|--------------------|----------------|
|  | <u>2010</u>        | <u>2009</u>    |
|  | <u>NIS</u>         | <u>NIS</u>     |
| Salaries and related expenses – management | 93,030             | 108,493        |
| Rent                                       | 21,383             | 86,874         |
| Maintenance                                | 72,464             | 58,980         |
| Office and administrative expenses         | 14,623             | 29,562         |
| Insurance                                  | 19,233             | 7,975          |
| Mail and communication                     | 48,401             | 41,966         |
| Promoting awareness and advertising        | 56,121             | 2,153          |
| Accommodation                              | 10,745             | 8,663          |
| Tolls, registration and municipal fees     | 41,284             | 37,743         |
| Legal and professional fees                | 34,958             | 30,665         |
| Office equipment depreciation              | 5,278              | 5,278          |
|  | <u>417,520</u>     | <u>418,352</u> |