

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

FINANCIAL STATEMENTS

31 DECEMBER 2012

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

TABLE OF CONTENTS

	<u>page</u>
Independent Auditor's Report	3
Balance Sheet, for 31 December 2012, 2011	4
Operating Activities, for the years ended 31 December 2012, 2011	5
Statement of Changes in Assets, for the years ended 31 December 2012, 2011	6
Statement of Cash Flows, for the years ended 31 December 2012, 2011	7
Notes to the Financial Statements	8-14



עזרא כדורי ושות' | EZRA KADOURI & CO.
רואי חשבון | Certified Public Accountants

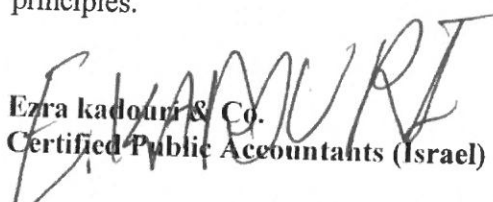
ACCESS ISRAEL (N.G.O.)
Independent Auditor's Report

We have audited the accompanying balance sheets of ACCESS ISRAEL (N.G.O.- Non Governmental Organization) as of 31 December, 2012 and 2011 and the related statements of operations for the years ended 31 December, 2012 and 2011. 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, 2012 and 2011 and the results of its operations for the years ended 31 December, 2012 and 2011, in conformity with generally accepted accounting principles.

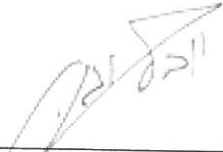

Ezra kadouri & Co.
Certified Public Accountants (Israel)

Petah-Tikva, Israel,
April 4, 2013


ACCESS ISRAEL (N.G.O.)

BALANCE SHEET

		<u>31 December</u>	
	<u>Note</u>	<u>2012</u>	<u>2011</u>
		<u>NIS</u>	<u>NIS</u>
<u>Current assets</u>			
Cash and bank cashier		1,231,864	1,458,623
Cheques for collection		38,330	28,670
Other receivables	2	27,167	14,368
		<u>1,297,361</u>	<u>1,501,661</u>
<u>Investments</u>			
Retirement benefit, net	3	70,509	36,051
<u>Fixed assets, net</u>			
	4	<u>122,860</u>	<u>126,766</u>
Total assets		<u>1,490,730</u>	<u>1,664,478</u>
<u>Current liabilities</u>			
Notes Payable		123,660	88,195
Suppliers		5,604	6,016
Accounts Payable	5	157,134	122,445
		<u>286,398</u>	<u>216,656</u>
<u>Assets, net</u>			
Used to purchase fixed assets		122,860	126,766
Net assets with temporary restrictions	6	568,834	556,438
Used for activities		512,638	764,618
Total		<u>1,204,332</u>	<u>1,447,822</u>
Total liabilities		<u>1,490,730</u>	<u>1,664,478</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>2012</u> <u>NIS</u>	<u>2011</u> <u>NIS</u>
Total Revenue	7	3,078,207	2,806,720
Operating Expenses	8	2,640,682	2,392,543
Operating Income from activities		<u>437,525</u>	<u>414,177</u>
Administrative and general expenses	9	453,490	498,053
Net Income (loss) before financial income		<u>(15,965)</u>	<u>(83,876)</u>
Financial Income net		10,079	29,649
Net Profit (loss) for the year		<u>(5,886)</u>	<u>(54,227)</u>

The accompanying notes are an integral part of the financial statements

ACCESS ISRAEL (N.G.O.)

STATEMENT OF CHANGES IN ASSETS, NET

	<u>Unrestricted</u>			<u>Restricted</u>		<u>TOTAL</u>
	<u>For Activities</u>			Temporary	Permanent	
	Not marked by nonprofit institution	Designated by nonprofit institution	For Fixed Assets			
	<u>NIS</u>	<u>NIS</u>	<u>NIS</u>	<u>NIS</u>	<u>NIS</u>	<u>NIS</u>
Balance at 1st January 2010	1,199,516	-	55,943	467,234	-	1,722,693
Allocations						
Expenses				104,541		104,541
Year net income	140,152			(359,318)		(359,318)
Net assets released amounts	(8,538)		8,538			140,152
Limited - used to purchase fixed assets						-
Amounts transferred to cover depreciation costs	27,015		(27,015)			-
Amounts designated by the organization	(450,000)			450,000		-
Balance at 31 December 2010	908,145	-	37,466	662,457	-	1,608,068
Allocations						
Expenses				1,003,382		1,003,382
Year net income	(54,227)			(1,109,401)		(1,109,401)
Net assets released amounts	(113,307)		113,307			(54,227)
Limited - used to purchase fixed assets						-
Amounts transferred to cover depreciation costs	24,007		(24,007)			-
Balance at 31 December 2011	764,618	-	126,766	556,438	-	1,447,822
Allocations						
Expenses				279,815		279,815
Year net deficit	(5,886)			(517,419)		(517,419)
Net assets released amounts	(22,910)		22,910			(5,886)
Limited - used to purchase fixed assets						-
Amounts transferred to cover depreciation costs	26,816		(26,816)			-
Amounts designated by the organization	(250,000)			250,000		-
Balance at 31 December 2012	512,638	-	122,860	568,834	-	1,204,332

The accompanying notes are an integral part of the financial statements

ACCESS ISRAEL (N.G.O.)

CASH FLOW STATEMENT

	<u>For the Year</u>	
	<u>Ended 31 December</u>	
	<u>2012</u>	<u>2011</u>
	<u>NIS</u>	<u>NIS</u>
<u>Cash flow from current activities</u>		
Surplus (Deficit)	(5,886)	(54,227)
Adjustments required to present cash flows from operations and cash equivalents, Appendix A	39,641	63,548
Net cash deriving from current activities	33,755	9,321
<u>Cash flow from investment activities</u>		
Purchase of fixed assets	(22,910)	(113,307)
Net cash deriving used for investment activities	(22,910)	(113,307)
<u>Cash flow from financing activities</u>		
Temporarily restricted assets transfer	(237,604)	(106,019)
Net cash deriving used for financing activities	(237,604)	(106,019)
Decrease in cash and cash equivalents	(226,759)	(210,055)
Balance of cash and cash equivalents at beginning of year	1,458,623	1,668,628
Balance of cash and cash equivalents at end of year	1,231,864	1,458,623
<u>Appendix A</u>		
Income and expenses not involving cash flow:		
Depreciation and amortization	26,816	24,007
Appointed to the reserve surplus (increase) decrease	(34,458)	13,934
Changes in assets and liabilities:		
(Increase) decrease of checks for collection	(9,660)	(14,735)
(Increase) decrease in accounts receivable	(12,799)	(14,163)
Increase (decrease) in suppliers and service providers	35,053	47,460
Increase in accounts payable	34,689	7,045
	39,641	63,548

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 that derived its vision are to enable people with disabilities in Israel to integrate into the society with dignity, respect, equally, safely and with maximum independency. 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 :

<u>Day</u>	<u>Representative exchange rate of U.S. Dollar – NIS</u>	<u>December index points</u>
31.12.2012	3.733	219.80
31.12.2011	3.821	216.27
Rate of change in the ending on		
31.12.2012	(2.3%)	1.63%
31.12.2011	7.66%	2.17%

* The index average basis 1993=100

Note 2: Other Receivables

	<u>31 December</u>	
	<u>2012</u>	<u>2011</u>
	<u>NIS</u>	<u>NIS</u>
advances to suppliers	26,962	-
Prepaid expenses	-	14,163
Corporate income tax	205	205
	<u>27,167</u>	<u>14,368</u>

Note 3: Retirement benefit, net

	<u>31 December</u>	
	<u>2012</u>	<u>2011</u>
	<u>NIS</u>	<u>NIS</u>
Mission compensation	253,136	214,868
Employees' compensation reserve	182,627	178,817
	<u>70,509</u>	<u>36,051</u>

ACCESS ISRAEL (N.G.O.)

FINANCIAL STATEMENTS NOTES

Note 4: Fixed assets, net

	Cost	Accumulated depreciation	Depreciated cost	
	31/12/2012	31/12/2012	31/12/2012	31/12/2011
Website	146,956	146,955	1	1
Furniture and Equipment	129,524	39,914	89,610	96,044
Computer Equipment	296,807	263,558	33,249	30,721
	<u>573,287</u>	<u>450,427</u>	<u>122,860</u>	<u>126,766</u>

Note 5: Accounts Payable

	<u>31 December</u>	
	<u>2012</u>	<u>2011</u>
	<u>NIS</u>	<u>NIS</u>
Institutions	41,220	32,617
Employees	115,914	89,828
	<u>157,134</u>	<u>122,445</u>

Note 6: Net assets with temporary restrictions

	<u>Opening Balance</u>	<u>Income</u>	<u>Expenses</u>	<u>Closing Balance</u>
Standards Institute	58,500	-	9,000	49,500
Creating educational kits about accessibility	25,000	-	25,000	-
Legislation and Legal services	100,000	100,000	100,000	100,000
Fundraising in Israel and abroad	35,218	100,000	35,218	100,000
Promoting Accessible Technology	50,000	50,000	50,000	50,000
PRATT Foundation – accessible picnic areas	212,326	-	70,942	141,384
Philip Morris International Fund	13,976	-	13,976	-
Ruderman Family Foundation	61,418	-	61,418	-
Peretz Naftali Foundation	-	20,000	-	20,000
Yad Hanadiv Foundation	-	18,775	18,775	-
Ted Arison Family Foundation	-	241,040	133,090	107,950
Balance at 31/12/2012	<u>556,438</u>	<u>529,815</u>	<u>517,419</u>	<u>568,834</u>
Balance at 31/12/2011	<u>662,457</u>	<u>1,003,382</u>	<u>1,109,401</u>	<u>556,438</u>

ACCESS ISRAEL (N.G.O.)

FINANCIAL STATEMENTS NOTES

- 1 - Standards Institute

According to the 30 December 2008 Executive Committee Meeting Protocol, promotional allowance for the purpose of promoting accessible standards at Standards Institute accessibility issue was approved in amount of 90,000 NIS. Until the end of 2011, a sum of 31,500 NIS was used for this purpose and during 2012 an additional sum of 9,000 NIS was used for this purpose. The balance on 31 December 2012 is 49,500 NIS.
- 2 - Creating education kits about accessibility

According to the 20 December 2010 Executive Committee Meeting Protocol, promotional allowance for the purpose of funding a film/show production to increasing public awareness on accessibility issues was approved in amount of 25,000 NIS.

According to the 28 December 2011 Executive Committee Meeting Protocol, the committee decided to also allow the use for creating education kits about accessibility. During 2012 such education kits activities were executed in full amount of 25,000 NIS.
- 3 - Legislation and Legal services

According to the 20 December 2010 Executive Committee Meeting Protocol, promotional allowance for the purpose of Legislation, Regulation and Petition to the High Court, was approved in amount of 100,000 NIS.

According to the 24 December 2012 Executive Committee Meeting Protocol, promotional allowance for the same purpose, was approved as an additional amount of 100,000 NIS.

During 2012 Legislation and Legal services were executed in the amount of 100,000 NIS. The balance on December 31, 2012 is 100,000 NIS.
- 4 - Fundraising in Israel and abroad

According to the 20 December 2010 Executive Committee Meeting Protocol, promotional allowance for the purpose of Fundraising in Israel and abroad, was approved in amount of 75,000 NIS.

According to the 24 December 2012 Executive Committee Meeting Protocol, promotional allowance for the same purpose, was approved as an additional amount of 100,000 NIS.

During 2011 such Fundraising activities were executed in the amount of 39,782 NIS and during 2012 in the amount of 35,218 NIS. The balance on December 31, 2012 is 100,000 NIS.
- 5 - Promoting Accessible Internet and Technology

According to the 20 December 2010 Executive Committee Meeting Protocol, promotional allowance for the purpose of Promoting Accessible Internet and Technology, was approved in amount of 50,000 NIS. According to the 24 December 2012 Executive Committee Meeting Protocol, promotional allowance for the same purpose, was approved as an additional amount of 50,000 NIS.

During 2012 Promoting Accessible Internet and Technology activities were executed in the amount of 50,000 NIS. The balance on December 31, 2012 is 50,000 NIS.

- 6 - PRATT Foundation – accessible picnic areas
During 2011, 253,824 NIS donation was received from PRATT Foundation for the establishment of new picnic areas around Israel. During 2011 the sum of 41,498 NIS was used for the establishment of a picnic area near Kiryat Shmona named after Liran Seadia of blessed memory. During 2012 the sum of 70,942 NIS was used for the establishment of the following picnic areas: Yehoshua Park in Tel Aviv, Kibutz Sde Eliyahu named after Doron Truper of blessed memory and in Hod Hasharon. The balance on December 31, 2012 is 141,348 NIS.
- 7 - Philip Morris International Fund
On December 2011, 73,052 NIS donation was received from Philip Morris International Fund for the purpose of “Help me to help you” – the guidance of accessible services in municipalities. During 2011 such activity was executed in the full amount of 59,076 NIS, and during 2012 the amount of 13,976 NIS was used for the same purpose.
- 8 - Ruderman Family Foundation
During June 2011, a 66,576 NIS donation was received from the Ruderman Family Foundation for promoting pupils and schools’ staff awareness through training about Accessibility.
During 2011 the sum of 5,158 NIS was used for the above mentioned activity and during 2012 the amount of 61,418 NIS was used for the same purpose.
- 9 - Peretz Naftali Foundation
On July 2012, 20,000 NIS donation was received from Peretz Naftali Foundation for educational activities ‘accessible city for all’ project in one Arabic municipality. During 2012 this activity was not executed and the balance on December 31, 2012 is 20,000 NIS.
- 10 - Yad Hanadiv Foundation
On March 2012, a 18,775 NIS donation was received from Yad Hanadiv Foundation for the development of a municipalities’ training model and kit about accessible services and accessibility.
During 2012 the sum of 18,775 NIS was used for this development.
- 11 - Ted Arison Family Foundation
On June 2012, 241,040 NIS donation was received from Ted Arison Family Foundation for the purpose of ‘A-B-C of accessibility’ to promote elementary schools’ pupils awareness to accessibility and integration. During 2012 the sum of 133,090 NIS was used for the above purpose and the balance on December 31, 2012 is 107,950 NIS.

ACCESS ISRAEL (N.G.O.)

FINANCIAL STATEMENTS NOTES

Note 7: Income from activities

	<u>31 December</u>	
	<u>2012</u>	<u>2011</u>
	<u>NIS</u>	<u>NIS</u>
Income from donations and benefit days	1,199,869	1,227,047
Consultation and accessibility distribution	1,210,691	1,236,894
Income from education and awareness promotion	566,747	342,779
Income from professional training and education	100,900	-
	<u>3,078,207</u>	<u>2,806,720</u>

During the years 2011-2012 the organization did not receive any governmental support of funds.

Note 8: Cost of activities

	<u>31 December</u>	
	<u>2012</u>	<u>2011</u>
	<u>NIS</u>	<u>NIS</u>
Salaries and related- review, entering data and coordination	33,679	137,593
Salaries and related- accessibility consultation	394,974	416,721
Accessibility studying	5,699	4,239
Web site maintenance	6,323	7,769
Collection of contents and information	216,979	245,224
Subcontractors and accessibility consultants expenses	495,508	498,476
Benefit days expenses	51,113	-
Projects expenses	65,117	*100
Education expenses	761,519	*624,521
Technologic Accessibility expenses	2,204	*43,801
Business Forum	202,415	141,150
Independence Life Space with 'JDC Israel' participation	328,606	257,807
Depreciation – computers and website	15,082	15,142
Professional training and education	61,464	-
	<u>2,640,682</u>	<u>2,392,543</u>

* Reclassified

ACCESS ISRAEL (N.G.O.)

FINANCIAL STATEMENTS NOTES

Note 9: Administrative and General Expenses

	<u>31 December</u>	
	<u>2012</u>	<u>2011</u>
	<u>NIS</u>	<u>NIS</u>
Salaries and related expenses – management	184,851	*154,609
Rent	19,691	51,492
Maintenance	49,627	40,588
Office and administrative expenses	43,386	*27,698
Insurance	25,863	18,630
Mail and communication	27,449	37,801
Promoting awareness and advertising	-	45,000
Accommodation	16,230	15,680
Tolls, registration and municipal fees	39,859	55,349
Legal and professional fees	34,800	42,340
Office equipment depreciation	11,734	8,865
	<u>453,490</u>	<u>498,053</u>

* Reclassified