

**Financial Statements of**  
**E.S.R.A English Speaking Residents Association (Reg.N.P.O)**  
**as at December 31, 2023**

**E.S.R.A English Speaking Residents Association (Reg.N.P.O)**

**Financial Report as at December 31, 2023**

**Table of Contents**

	<b><u>Page</u></b>
Independent Auditors' Report	2
Statements of Financial Position	3
Statement of Activities	4
Statement of Changes in Net Assets	5
Notes to Financial Statements	6-12

**Auditors' Report to the Members**  
**of**  
**E.S.R.A English Speaking Residents Association (Reg.N.P.O)**

We have audited the accompanying statements of the financial position of E.S.R.A English Speaking Residents Association (Reg.N.P.O) (hereinafter - the "Amutah") as at December 31, 2023 and 2022, and the related statements of activities and changes in net assets, for each of the years then ended. These financial statements are the responsibility of the committee and its management. 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 Israeli Auditors' Regulations (Auditor's Mode of Performance), 1973. Those standards require that we plan and perform the audit to obtain reasonable assurance that 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 committee and management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.


In our opinion, the above financial statements present fairly in all material respects, the financial position of the Amutah as at December 31, 2023 and 2022 and the results of its activities and changes in net assets, for each of the years then ended, in conformity with generally accepted accounting principles in Israel (Israeli GAAP).

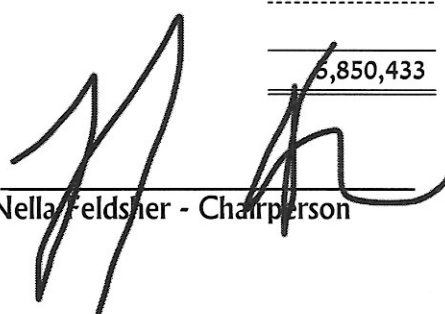
  
Stark & Stark  
Certified Public Accountants (Israel)

June 16, 2024

**E.S.R.A English Speaking Residents Association (Reg.N.P.O)**  
**Statements of Financial Position**  
**December 31, 2023**

		As at December 31,	
		2023	2022
	Note	New Sheqels	New Sheqels
<b><u>Current Assets</u></b>			
Cash and Cash equivalents	3	359,061	359,503
Securities	4	4,851,871	5,122,081
Debtors and Debit Balances	5	449,745	506,984
		<u>5,660,677</u>	<u>5,988,568</u>
<b><u>Long Term Assets</u></b>			
Bank deposits	13	35,256	25,138
Fixed Assets	6	154,500	176,272
		<u>189,756</u>	<u>201,410</u>
		<u>5,850,433</u>	<u>6,189,978</u>
<b><u>Current Liabilities</u></b>			
Checks payable and suppliers		413,350	210,387
Accounts payable	7	858,324	849,666
		<u>1,271,674</u>	<u>1,060,053</u>
<b><u>Long Term Liabilities</u></b>			
Provision For Severance Pay	8	<u>124,000</u>	<u>141,000</u>
<b><u>Net Assets</u></b>			
<b><u>Unrestricted Net Assets</u></b>			
For activities		214,647	86,478
For fixed assets		154,500	176,272
		<u>369,147</u>	<u>262,750</u>
Restricted Net Assets	9	4,085,612	4,726,175
Total Net Assets		<u>4,454,759</u>	<u>4,988,925</u>
		<u>5,850,433</u>	<u>6,189,978</u>

  
 Richard Halon  
 Treasurer and Executive Member

  
 Nella Feldsher - Chairperson

The accompanying notes are an integral part of the consolidated financial statements.

**E.S.R.A English Speaking Residents Association (Reg.N.P.O)**  
**Statement of Activities**  
**Year ended December 31, 2023**

		Year ended December 31,	
		2023	2022
	Note	New Sheqels	New Sheqels
<b><u>Income</u></b>			
Donations		425,337	210,865
Government ministries	14	236,109	-
Membership fees		360,464	347,088
Transfers from restricted net assets		3,382,441	3,484,162
Income from events, social and cultural activities		1,795,523	1,962,018
Value of volunteers to activities	11	2,675,474	2,668,069
		<u>8,875,348</u>	<u>8,672,202</u>
<b><u>Cost of Activities</u></b>			
Education and welfare projects for immigrants and needy		2,494,915	2,015,113
Social events and cultural activities		1,250,577	1,447,567
Value of volunteers to activities	11	2,675,474	2,668,069
Salaries and related expenses		1,288,823	1,009,558
Depreciation		31,881	33,513
		<u>7,741,670</u>	<u>7,173,820</u>
<b>Net Income from Activities</b>		<u>1,133,678</u>	<u>1,498,382</u>
General and administrative expenses	10	1,301,612	1,292,875
<b>Net income (expenses) before financing</b>		<u>(167,934)</u>	<u>205,507</u>
<b>Net financing income (expenses)</b>	12	<u>274,331</u>	<u>(378,252)</u>
<b>Net income (deficit)</b>		<u><u>106,397</u></u>	<u><u>(172,745)</u></u>

The accompanying notes are an integral part of the consolidated financial statements.

**E.S.R.A English Speaking Residents Association (Reg.N.P.O)**  
**Statement of Changes in Net Assets**  
**Year ended December 31, 2023**

	<u>Unrestricted</u>		<u>Restricted</u>	
	<u>For Activities</u>	<u>For Fixed Assets</u>	<u>Net Assets</u>	<u>Total</u>
	<u>New Sheqels</u>	<u>New Sheqels</u>	<u>New Sheqels</u>	<u>New Sheqels</u>
Opening balance January 1, 2022	263,625	171,870	6,306,693	6,742,188
<b><u>Changes during the year</u></b>				
Donations	-	-	1,660,185	1,660,185
Support from government ministries	-	-	243,459	243,459
Net income (deficit) for the year	(172,745)	-	-	(172,745)
Sums transferred from restricted	-	-	(3,484,162)	(3,484,162)
 Sums used for acquisition of fixed assets	 (64,559)	 64,559	 -	 -
Sums used for depreciation of fixed assets	60,157	(60,157)	-	-
Balance as of December 31, 2022	86,478	176,272	4,726,175	4,988,925
 <b><u>Changes during the year</u></b>				
Donations	-	-	2,573,034	2,573,034
Support from government ministries	-	-	168,844	168,844
Net income (deficit) for the year	106,397	-	-	106,397
Sums transferred from restricted	-	-	(3,382,441)	(3,382,441)
 Sums used for acquisition of fixed assets	 (26,524)	 26,524	 -	 -
Sums used for depreciation of fixed assets	48,296	(48,296)	-	-
Balance as of December 31, 2023	214,647	154,500	4,085,612	4,454,759

The accompanying notes are an integral part of the consolidated financial statements.

**E.S.R.A English Speaking Residents Association (Reg.N.P.O)**  
**Notes to Financial Statements**  
**December 31, 2023**

**Note 1 - General**

- A. The Amutah was registered with the Registrar of Associations on December 4, 1983, and its objectives are the optimal absorption of English speakers in Israel and the reduction of gaps in Israeli society. The association assists English-speaking immigrants of all ages to establish themselves personally, professionally, and socially in Israel through a supportive community network. This network offers personal support (emotional, financial, understanding of the system, skill improvement, etc.), a social and cultural framework (learning and enrichment, social gatherings, interest groups, understanding Israeli heritage, etc.), business and professional networking, and meaningful volunteer opportunities in community projects led by the Association. These opportunities allow English speakers to be a useful and contributing part of Israeli society. The community projects focus on reducing gaps among disadvantaged populations and other immigrants, including academic support and excellence, STEM, personal resilience development, and social skills for children and youth, students, and welfare families.
- B. The Amutah is approved as a "Public Institution" (Mossad Tziburi) under the terms of Clause 9(2) of the Income Tax Ordinance.
- C. The Amutah has a certification according to clause 46 of the Income Tax Ordinance, which enables tax credit to a donor until 31/12/2026.
- D. Registration No. of the Amutah at the Registrar of Nonprofit Organizations is: 580037455.
- E. The Amutah has proper management certification for two years until 31/12/2025.
- F. The Amutah has received the President's Award for Volunteerism and Leadership in Immigration Absorption and the Midot Seal of Effectiveness until March 2025
- G. Amendment number 11 of the law of associations, 2008:  
The Amutah has not received donations during the current year from any foreign political entity.

**Note 2 - Accounting Principles**

- A. The financial statements are prepared in accordance with generally accepted accounting principles and as set forth in the updated Accounting Standard No. 40 (November 2021) published by the Israel Accounting Standards Board and consolidates the accounting rules and financial reporting on non-profit organizations.
- B. Financial Statements' Reporting Basis  
The financial Statements have been prepared in accordance with the provisions of Accounting Standard 12 of Israeli Accounting Standards Board – "Discontinuance of Adjustment of Financial Statements".
- C. Recognition of Expenses and Income  
Income and expenses are recorded by the accrual basis and according to generally accepted accounting standards.

**E.S.R.A English Speaking Residents Association (Reg.N.P.O)**  
**Notes to Financial Statements**  
**December 31, 2023**

**Note 2 - Accounting Principles (Cont.)**

**D. Cash and cash equivalents**

1. Includes short-term bank deposits made for a period not exceeding three months.
2. Short term bank deposits include interest and indexation differences accrued to the balance sheet date.

**E. Fixed assets**

1. Fixed Assets are presented according to cost less accumulated depreciation. Depreciation is computed by the straight-line method over the estimated useful lives of the assets.
2. Improvements and enhancements are capitalized to the cost of the assets while repairs and maintenance are expensed as incurred.

**F. Investments in securities are presented according to market value at Balance Sheet date. Changes in market value are included in net financing income in the Statement of Activities.**

**G. Balances involving foreign currencies**

Balances involving foreign currencies were valued at the exchange rate for the Balance Sheet date. The exchange rate was:

<u>December 31<sup>st</sup>, 2023</u>	<u>December 31<sup>st</sup>, 2022</u>
\$1 = NIS 3.6270	\$1 = NIS 3.5190
£1= NIS 4.6209	£1= NIS 4.2376

**H. The financial statements do not include a Cash Flow statement. There is no obligation to include such a statement in this report if it does not add significant information.**

**I. Statement of Activities**

In presenting the statement of activities, no classification was made regarding to the nature of the expenses, since this does not add significant information beyond its presentation according to the nature of the activity.

**J. Related Parties**

As defined by Accounting Standard No. 41 of the Accounting Standards Board in Israel.



**E.S.R.A English Speaking Residents Association (Reg.N.P.O)**  
**Notes to Financial Statements**  
**December 31, 2023**

**Note 3 - Cash and Cash equivalents**

	As at December 31,	
	2023	2022
	New Sheqels	New Sheqels
Cash at bank and on hand- local currency	237,544	229,452
Cash at bank- foreign currency	-	4,554
Short-term deposits	121,517	125,497
	<u>359,061</u>	<u>359,503</u>

**Note 4 - Securities**

	As at December 31,	
	2023	2022
	New Sheqels	New Sheqels
Government Bonds	753,643	532,881
Corporate Bonds and Unit Trust funds	4,098,228	4,589,200
	<u>4,851,871</u>	<u>5,122,081</u>

90% of the securities bonds are rated A or better.

**Note 5 - Debtors and Debit Balances**

	As at December 31,	
	2023	2022
	New Sheqels	New Sheqels
Credit card companies and others	136,751	162,738
Accounts receivable, net	27,727	23,364
Prepaid expenses	9,032	66,017
Income receivable	276,235	254,865
	<u>449,745</u>	<u>506,984</u>

**E.S.R.A English Speaking Residents Association (Reg.N.P.O)**  
**Notes to Financial Statements**  
**December 31, 2023**

**Note 6 - Fixed Assets**

	As at December 31,				
	2023				2022
	Computers And programs	Leasehold Improvements	Furniture and office Equipment	Total	Total
	New Sheqels	New Sheqels	New Sheqels	New Sheqels	New Sheqels
<b><u>Cost</u></b>					
Cost at the beginning of the year	235,133	151,816	90,191	477,140	416,313
Acquisitions during the year	18,861	-	7,663	26,524	64,559
Deductions during the year	-	-	-	-	(3,732)
Cost at the end of the year	253,994	151,816	97,854	503,664	477,140
<b><u>Depreciation</u></b>					
Depreciation at the beginning of the year	204,077	51,958	44,833	300,868	244,443
Depreciation during the year	28,563	13,590	6,143	48,296	60,157
Deductions during the year	-	-	-	-	(3,732)
Accumulated depreciation	232,640	65,548	50,976	349,164	300,868
<b><u>Written Down Value</u></b>	21,354	86,268	46,878	154,500	176,272
<b><u>Depreciation Rates</u></b>	33%	10%	7%-15%		

**Note 7 - Accounts payable**

	Note	As at December 31,	
		2023	2022
		New Sheqels	New Sheqels
Accrued payroll taxes and social benefits		61,735	145,776
Vacation provision		195,000	131,610
Accrued expenses		233,650	264,188
Provision re employee rights judgement payment	15	-	110,000
Income in advance		267,439	198,092
Welfare fund and scholarships		100,500	-
		858,324	849,666

**E.S.R.A English Speaking Residents Association (Reg.N.P.O)**  
**Notes to Financial Statements**  
**December 31, 2023**

**Note 8 - Provision For Severance Pay**

The provision covers the Association's obligation towards its employees in the event of termination of employer – employee relations beyond the portion of the liabilities covered by pension fund and managers' insurance plans.

**Note 9 - Restricted Net Assets**

Net assets for which there is a restriction are intended for use in projects in the fields of education and welfare for the benefit of underprivileged populations.

**Note 10 - General and administrative expenses**

	<b>Year ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
	<b>New Sheqels</b>	<b>New Sheqels</b>
Salaries and related costs (*)	729,288	822,574
Office expenses and maintenance	80,851	65,905
Fundraising costs	138,085	91,783
Rent	75,016	71,676
Professional services	213,061	172,536
Insurance	6,353	5,760
Depreciation	16,415	26,644
Credit card fees and banking	42,543	35,997
	<b>1,301,612</b>	<b>1,292,875</b>

(\*) Includes salary cost for a related party of NIS 417 thousand (2022 NIS 395 thousand)

**E.S.R.A English Speaking Residents Association (Reg.N.P.O)**  
**Notes to Financial Statements**  
**December 31, 2023**

**Note 11 - Volunteering Activities**

During the year 2023, the association benefitted from 88,482 volunteer hours, worth NIS 2,675,474, by volunteers for various projects (in 2022, 91,623 volunteer hours, worth NIS 2,668,069).

These revenues and expenses were included in the financial statements in accordance with the assessment of the association's management and in accordance with the provisions of the updated Accounting Standard No. 40 published by the Israel Accounting Standards Board.

The value of volunteers was calculated according to the minimum wage. It should be emphasized that a significant portion of the volunteers are professionals specializing in various fields of activity led by the association, such as pedagogical trainers, free professionals (lawyers, economists, photographers, journalists, etc.).

In addition, some volunteering hours are not included in the financial statements since it is not possible to estimate their fair value.

**Note 12- Net financing income (expenses)**

	Year ended December 31,	
	2023	2022
	New Sheqels	New Sheqels
Interest and exchange rate differences	(7,116)	(6,880)
Interest and income (expenses) from securities	281,447	(371,372)
	<u>274,331</u>	<u>(378,252)</u>

**Note 13 - Operating Lease Commitments**

**A. Long-term commitments in respect of rental agreements**

The Amutah has long-term commitments in respect of rental agreements for secondhand bookshops and secondhand clothes shops in Raanana, Kfar Saba and Modiin, and also for the offices of the Amutah in Herzliya. At 2023 year-end the monthly rental payments amounted to approximately NIS 24,000. The Amutah has also given bank guarantees relating to these agreements of NIS 25,000.

**B. Bank deposit**

The Amutah has a bank deposit of NIS 10,001 pledged against a credit card.

**E.S.R.A English Speaking Residents Association (Reg.N.P.O)**  
**Notes to Financial Statements**  
**December 31, 2023**

**Note 14 - Government ministries**

	Year ended December 31,	
	2023	2022
	New Sheqels	New Sheqels
Support from Ministry of Aliyah and Integration	185,429	-
Support from Ministry of Finance	50,680	-
	236,109	-

**Note 15 - Significant Events in the Reporting Year**

- A. On April 2022 a former service provider who gave management services to one of the secondhand shops filed a lawsuit against the Amutah in which he claimed that an employer- employee relationship existed between him and the Amutah and demanded a total of NIS 485,100 for various rights arising out of this relationship.  
On 16 January 2023 a judgment was issued by way of compromise, awarding the sum of NIS 110,000 for his period of work including increased severance pay.  
The sum was paid in the reporting year.
- B. On October 7, 2023, a surprise attack began on the State of Israel that led to the outbreak of the Swords of Iron War. The war has wide effects on the Israeli economy, the extent and consequences of which cannot yet be estimated.  
Immediately upon the outbreak of the war, the Association was among the first to initiate activities and services, in collaboration with the Ministry of Aliyah and Integration, the Ministry of Education, and local authorities, which provided extensive, immediate, and free responses to urgent needs arising from the field, such as: financial assistance to war victims from the Welfare Fund, a 24/7 emergency hotline in English, academic support and emotional assistance in hotels and learning centers for evacuees, donation of items to evacuated families, emotional support and development of personal resilience in English, and providing accessible information and services, relief activities, and online enrichment for the whole family daily.  
The Association received a grant of NIS 50,680 as part of the compensation provided by the Ministry of Finance following the war.  
The Association monitors the impact of the war and in its estimation opinion, as of the date of approval of these financial statements, it is unable to estimate the financial impact on the Association.