

**MATZMICHIM - The Israeli Violence Reduction Organization
(Registered Association)**

Financial Statements as of December 31 2018

MATZMICHIM - The Israeli Violence Reduction Organization

Financial Report as of December 31 2018

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**AUDITORS' REPORT TO THE MEMBERS OF MATZMICHIM - The Israeli Violence
Reduction Organization (REGISTERED ASSOCIATION)**

We have audited the accompanying balance sheets of MATZMICHIM - The Israeli Violence Reduction Organization (a Registered Association) (hereinafter - "the Association") as of December 31 2018 and 2017 , and the related statements of activities, statements of changes in net assets and statements of cash flows for each one of the years ended on those dates . These financial statements are the responsibility of the executive committee and management of the Association. 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 by the Auditor's Regulations (Auditor's Mode of Performance), 1973. Those standards require 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 Association's executive committee and management, 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 Association as of December 31 2018 and 2017, and the results of its activities, changes in net assets and cash flows for each of the years ended on those dates, in reported amounts, in accordance with generally accepted accounting principles in Israel (Israeli GAAP).

Bnei-Brak, April 29 2019

BDO Ziv Haft

Certified Public Accountants
(Isr.)

MATZMICHIM - The Israeli Violence Reduction Organization (Registered Association)

Statement Of Financial Position (in Pound sterling)

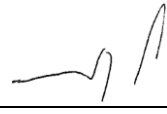
translated from Hebrew*

	As at December 31	
	2018	2017
Curret Assets:		
Cash and cash equivalents	116,013	58,656
Accounts receivable and other receivables	42,477	34,162
	<u>158,490</u>	<u>92,818</u>
Fixed Assets, Net	5,062	5,490
	<u>163,552</u>	<u>98,308</u>
Current liabilities:		
Suppliers	14,697	12,496
Other accounts payables	57,569	42,927
	<u>72,266</u>	<u>55,423</u>
Severance pay liability, net	<u>17,788</u>	<u>8,179</u>
Net Assets:		
Net assets for which there is no restriction		
For use in operations	68,436	29,216
Used for fixed assets	5,062	5,490
	<u>73,498</u>	<u>34,706</u>
	<u>163,552</u>	<u>98,308</u>

* Calculated at exchange rate of 1 £ = 4.7934 NIS

April 29 2019
Date of approval


Adi Vigodesky


Shlomi Ben Porat

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

MATZMICHIM - The Israeli Violence Reduction Organization (Registered Association)

Statement of Income (in Pound sterling)

translated from Hebrew*

		Year ended December 31	
	Note	2018	2017
Turnover from operations	1	813,880	616,230
Cost of operations	2	648,617	513,211
Operating income, net		165,263	103,019
General and administrative expenses	3	127,285	94,175
Net income before financing		37,978	8,844
Financing income, net		(815)	(543)
Net income for the year		38,793	9,387

* Calculated at exchange rate of 1 £ = 4.7934 NIS.

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MATZMICHIM - The Israeli Violence Reduction Organization (Registered Association)

Statement of Changes in Equity (in Pound sterling)

translated from Hebrew*

	Unrestricted net assets		
	For use in operations (Accumulated deficit from operations)	Used for fixed assets	Total
Balance as of January 1 2017	20,035	5,283	25,318
Additions (Deductions) during the year:			
Net income for the year	9,387	-	9,387
Transfer of amounts used to purchase fixed assets	(1,892)	1,892	-
Amounts transferred to cover depreciation	1,686	(1,685)	1
Balance as of December 31 2017	29,216	5,490	34,706
Additions (Deductions) during the year:			
Net income for the year	38,793	-	38,793
Transfer of amounts used to purchase fixed assets	(1,559)	1,559	-
Amounts transferred to cover depreciation	1,986	(1,987)	(1)
Balance as of December 31 2018	68,436	5,062	73,498

* Calculated at exchange rate of 1 £ = 4.7934 NIS.

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

MATZMICHIM - The Israeli Violence Reduction Organization (Registered Association)

Statement of Cash Flows (in Pound sterling)

translated from Hebrew*

	Year ended December 31	
	2018	2017
Cash Flows from Operating Activities		
Net income for the year	38,792	9,387
Adjustments required to reflect cash flows from operating activities - appendix A'	20,124	(16,721)
Net cash derived (used) from current activity (activity)	58,916	(7,334)
Cash Flows from Investing Activities		
Purchase of fixed assets	(1,560)	(1,892)
Net cash used from investment activities	(1,560)	(1,892)
Increase (Decrease) in cash	57,357	(9,226)
Cash at the beginning of the year	58,656	67,882
Balance of cash and cash equivalents at the end of the year	116,012	58,656

Appendix A' - Adjustments required to reflect cash flows from operating activities

Income and expenses not involving cash flows:

Depreciation and amortization	1,987	1,686
increase (Decrease) in liability for employee severance benefits, net	9,608	(488)
	11,595	1,198
Changes in assets and liabilities:		
Increase in accounts receivable	(8,314)	(19,606)
Increase in suppliers and checks payable	2,201	9,595
Increase (Decrease) in accounts payable	14,642	(7,908)
	8,529	(17,919)
	20,124	(16,721)

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MATZMICHIM - The Israeli Violence Reduction Organization (Registered Association)

Notes to Financial Statements (in Pound sterling)

translated from Hebrew*

Note 1 - Income:

A. Composition:

	Year ended December 31	
	2018	2017
Workshops, courses and lectures	413,113	275,220
Donations	333,492	289,080
Allocations	22,885	-
Income in kind (See C below)	44,390	51,930
	813,880	616,230

B. Allocations:

ministry of education	13,629	-
social security	9,256	-
	22,885	-

C. Income in kind:

Volunteers in kind	168,698	225,693
Donation in kind	44,079	23,229
	44,390	51,930

D. Donations over thousands NIS 100:

<u>Details</u>	<u>The total donation</u>
Keren Lion family Ltd	434,428
The Jewish Agency in Eretz Israel	211,329
Kindermissionswerk Die Sternsinger e.r	198,767
Goldberg Stephen Jonathan, Klein Pat - The DM Charitable Trust	181,780

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MATZMICHIM - The Israeli Violence Reduction Organization (Registered Association)

Notes to Financial Statements (in Pound sterling)

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Note 2 - Cost of Activities:

	Year ended December 31	
	2018	2017
Salaries and related expenses	197,742	174,180
Workshops, courses and lectures	405,213	285,921
Expenses in kind (See 1c above)	44,390	51,930
Depreciation	1,272	1,180
	<u>648,617</u>	<u>513,211</u>

Note 3 - General and administrative expenses:

	Year ended December 31	
	2018	2017
Salaries and related expenses	85,089	59,010
Fund raising fee	15,435	11,987
Professional services	6,962	6,267
Rent and maintenance	8,701	8,438
Office supplies and printing	2,216	3,261
Maintenance of vehicles and rent	5,586	3,146
Mail, telephone and communications	1,331	508
Meals, refreshments and travel	1,017	817
Taxes and fees	352	235
Depreciation	596	506
	<u>127,285</u>	<u>94,175</u>

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