

Yad Sarah (R.A.)
Financial Statements
As at December 31, 2020

Yad Sarah (Registered Association)

Financial Statements

As at December 31, 2020

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RSM Shiff Hazenfratz Co.
Certified Public Accountants

Avraham Heyman, C.P.A.
Yehuda Fisher, C.P.A.
Gershon Eisenman, C.P.A. (M.B.A.)
Alon Heyman, C.P.A.

**Auditors' Report to the Members of
The Yad Sarah Association (Registered Association)**

We have audited the attached balance sheets of "Yad Sarah" (R.A.) (hereinafter, "The Association") as at December 31, 2020 and 2019 and the Association's statements of operations and statement of changes in net assets for each of the years ended on those dates. These financial statements are the responsibility of the Association's board of directors and management. Our responsibility is to express an opinion regarding these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, including those standards set forth in the Auditors' Regulations (Auditor's Methods of Operation), 5733-1973. 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 a random sampling of evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the members of the Association's board of directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As mentioned below in Note 2, these financial statements were prepared in nominal values rather than in reported amounts, as required by Accounting Standard No. 12 of the Israeli Accounting Standards Board.

In our opinion, apart from the aforesaid, the abovementioned financial statements reflect fairly, in accordance with accepted auditing rules and in all material respects, the financial position of the Association as at December 31, 2020 and 2019, the results of its operations, changes in its net assets and its cash flows for each of the years ended on those dates, in accordance with generally accepted accounting principles in Israel (Israeli GAAP).

August 25, 2021

RSM Shiff Hazenfratz & Co.
Certified Public Accountants

Balance Sheets

	Note	As at December 31	
		2020	2019
		NIS thousands	
<u>Assets</u>			
<u>Current assets</u>			
Cash and cash equivalents	3	593	890
Receivables and checks receivable	4	43,646	44,941
		<u>44,239</u>	<u>45,831</u>
<u>Long-term deposits and investments</u>	5		
Weinberg Fund for maintenance of Yad Sarah House in Jerusalem		48,010	38,009
Maintenance Fund for service centers (Beersheva, Haifa, Rishon Le'zion, Modi'in and Netanya)		58,210	33,785
Gold Fund for establishment of an Israeli rehabilitation center		59,569	87,327
Bloomberg Fund for emergencies		3,084	3,084
Ashdod Fund		5,115	3,211
Mrlld Fund		4,000	-
Loan fund for Doers of Kindness		39	598
		<u>178,027</u>	<u>166,014</u>
<u>Investments in subsidiaries</u>	6		
Investment in Y.S Margoa subsidiary		64,667	29,772
Investment in Y.S.M medical and rehabilitation equipment subsidiary		391	851
		<u>65,058</u>	<u>30,623</u>
Fixed assets, net – medical equipment, emergency alarm buzzers, wheelchair accessible vans, buildings, etc.	7	195,927	200,313
Total assets		<u>483,251</u>	<u>442,781</u>
<u>Liabilities and net assets</u>			
<u>Current liabilities</u>			
Suppliers and miscellaneous payables	8	12,242	14,057
Deposits for lending equipment, net	9	1	1
		<u>12,243</u>	<u>14,058</u>
<u>Long-term liabilities</u>			
Liability in respect of the termination of employee-employer relationships, net	10	1,965	1,880
		<u>1,965</u>	<u>1,880</u>
		<u>14,208</u>	<u>15,938</u>
<u>Net assets in respect of which a restriction exists</u>			
Net assets in respect of which a restriction of a temporary nature exists		8,199	7,165
Net assets in respect of which a restriction of a permanent nature exists		48,010	38,009
		<u>56,209</u>	<u>45,174</u>
<u>Net assets in respect of which no restriction exists</u>			
Designated by the Association's institutions		161,018	120,841
For use in operations		55,889	60,515
Net assets used for fixed assets		195,927	200,313
		<u>412,834</u>	<u>381,669</u>
Total net assets		<u>469,043</u>	<u>426,843</u>
Total liabilities and net assets		<u>483,251</u>	<u>442,781</u>

The explanatory notes attached constitute an integral part of the accompanying consolidated financial statements.

August 25, 2021

Chairman of the Management
Yeshayahu Schneller

Treasurer
David Gross

Statement of Operations

	Note	For the Year Ended December 31	
		2020	2019
		NIS thousands	
<u>Turnover from operations</u>			
Donations		62,559	49,833
Donations in kind		406	368
<u>Allocations and Support</u>			
Ministry of Welfare		-	369
Ministry of Economy			-
General Custodian			-
Ministry of Health		523	414
National Insurance Institute		1,559	339
Municipalities and local authorities		277	387
<u>Participation by service recipients</u>			
From the public at large		40,945	38,697
From institutions		3,452	3,743
Value of volunteers' work		31,522	32,508
<u>Amounts released from net assets</u>			
Amounts released from net assets restricted for operations		975	97
		<u>142,218</u>	<u>126,755</u>
<u>Cost of operations</u>	11		
Welfare and rehabilitation services		(30,734)	(32,213)
Equipment leasing services and maintenance of branches		(45,518)	(44,442)
Value of volunteers' work		(31,522)	(32,508)
		<u>(107,774)</u>	<u>(109,163)</u>
Net income from operations		34,444	17,592
Administrative and general expenses		(1,558)	(2,679)
Fundraising expenses		(3,655)	(3,293)
		<u>(5,213)</u>	<u>(5,972)</u>
Other income	12	4,503	1,526
Net income before financing		33,734	13,146
Financing income (expenses), net		2,195	13,193
Income after financing		35,929	26,339
Association's share of the profits (losses) of a subsidiary company	13	(4,764)	1,584
Net income for the year		<u>31,165</u>	<u>27,923</u>

The explanatory notes attached constitute an integral part of the accompanying consolidated financial statements.

Statement of Net Changes in Assets

	In NIS thousands					
	In respect of which no restriction exists			In respect of which a restriction exists		
	For use in operations	Used for fixed assets	Designated by the Association's institutions	Of a permanent nature	Of a temporary nature	Total
Balance as at Dec. 31, 2018	10,688	198,352	144,706	38,106	2,825	394,677
Revaluation of funds					259	259
Donations	-	-	-	-	4,081	4,081
Net income for the year	27,923	-	-	-	-	27,923
Amounts designated in the year by the Association's management institutions	23,865	-	(23,865)	-	-	-
Revaluation of funds	-	-	-	(97)	-	(97)
Amounts released from a restricted net asset	-	-	-	-	-	-
Transfer of amounts in respect of which no restriction exists that were used for fixed assets	(27,354)	27,354	-	-	-	-
Amounts transferred to cover depreciation expenses	25,393	(25,393)	-	-	-	-
Balance as at Dec. 31, 2019	60,515	200,313	120,841	38,009	7,165	426,843
Permanently restricted donations				10,001		10,001
Net income for the year	31,165					31,165
Amounts designated in the year by the Association's management institutions	(40,177)		40,177			
Revaluation of funds						
Amounts temporary released from a restricted net asset					(975)	(975)
Transfer of amounts in respect of which no restriction exists that were used for fixed assets	(18,228)	18,228				
Amounts transferred to cover depreciation expenses	22,614	(22,614)				
Donations and allocations					2,009	2,009
Balance as at Dec. 31, 2020	55,889	195,927	161,018	48,010	8,199	469,043

Statement of Cash Flows

	For the Year Ended December 31	
	2020	2019
	NIS thousands	
<u>Cash flows from operating activities</u>		
Net income according to the statement of operations	31,165	27,923
Donations designated for construction	11,036	4,081
Other designated income	-	162
<u>Adjustments required to present cash flows from current operations - Appendix A</u>		
Expenses not involving cash flows	34,898	26,329
Changes in assets and liabilities	(522)	(17,937)
Total adjustments required to present cash flows from current operations - Appendix A	34,376	8,392
Net cash generated by current operations	<u>76,577</u>	<u>40,558</u>
<u>Cash flows from investment activities</u>		
Purchase of fixed assets	(28,571)	(30,157)
Investment in subsidiary	(39,200)	(30,000)
Consideration from the disposal of fixed assets	2,908	323
Decrease in long-term investments and deposits in banks	-	-
Decrease (Increase) in long-terms investments and deposits	(12,011)	19,613
Net cash used for investment activities	<u>(76,874)</u>	<u>(40,221)</u>
Increase (Decrease) in cash and cash equivalents	<u>(297)</u>	<u>337</u>
Cash and cash equivalents balance at the beginning of the year	<u>890</u>	<u>553</u>
Cash and cash equivalents balance at the end of the year	<u>593</u>	<u>890</u>

Statement of Cash Flows

Adjustments required to present cash flows from operating activities – Appendix A

	For the Year Ended December 31	
	2020	2019
	NIS thousands	
<u>Expenses (income) not involving cash flows</u>		
Depreciation and amortizations	29,391	28,048
Increase in liability for vacation leave and severance pay – net	85	94
Capital (losses) gains	658	(229)
Subsidiary loses (gains)	4,764	(1,584)
	<u>34,898</u>	<u>26,329</u>
<u>Changes in assets and liabilities</u>		
Decrease (increase) in receivables and debt balances	1,296	(21,655)
Decrease in suppliers and checks payable	(1,438)	(3,040)
Increase (Decrease) in payables and credit balances	(380)	6,758
	<u>(522)</u>	<u>(17,937)</u>
Total adjustments required to present cash flows from operating activities	<u>34,376</u>	<u>8,392</u>

Note 1 - General

- A. The Yad Sarah Association (hereinafter, "the Association") is registered under the Associations Law, 5740-1980.
- B. The Association's array of services is intended to provide a response to the varying needs of people at many stages of their lives who have disabilities, are suffering from illnesses and who have special needs, with the objective of reducing the impacts of their disabilities, illnesses and special needs on their functioning and independence.

Yad Sarah, as a voluntary organization, is founded on a commitment to a mutual, social responsibility, to which volunteers and donors from the whole range of the social spectrum are committed.

- C. The Association's main fields of activity are:
- Equipment lending – At over 120 branches spread across the country, Yad Sarah volunteers lend thousands of medical – rehabilitation items each year. The equipment is lent for a deposit, which is returned to the borrower after the equipment is returned.
 - Emergency alarm response center – This is a unique service that affords peace and mental security for subscribers and their families, who know that whenever necessary, it is possible to turn to the center and speak to someone who listens and to obtain human, professional assistance. Yad Sarah's response center operates 24 hours a day 365 days a year (including the Sabbath and festivals).
 - Transport services for people with limited mobility – The wheelchair - accessible van service is a transportation service for wheelchair bound people. Yad Sarah's wheelchair-accessible vans have lifts installed that can raise and lower the wheelchair user as well as additional accessories that enable people to travel safely and comfortably.
 - Frankel Emergency Medical Center – In order to relieve the load on emergency rooms, minimize the risk of being exposed to infection in hospitals and mainly prevent hospitalization, Yad Sarah established the Frankel Community Emergency Medical Center. This service provides professional and caring urgent medical services quickly and with maximum efficiency, in three spheres simultaneously: Geriatrics, obstetrics and gynecology and pediatrics.

This service is provided by medical specialists, nurses, x-ray and ultra-sound technicians and has a modern laboratory which can provide urgent tests and treatments. This service completes the full circle of the association's services, to allow the patient to convalesce in his home and natural environment while preventing hospitalization.
 - Exhibition and consulting centers – Yad Sarah's exhibition and consultancy centers are intended for people with disabilities and people undergoing rehabilitation, who encounter technical problems in their daily lives as a result of reduced functioning and their ability to perform various tasks, as well as for members of their families who are looking for possibilities for helping their loved ones.

Note 1 - General (continued)

- Da'at – Medical information service – Yad Sarah's Da'at Center provides professional, reliable, and up-to-date information on all health issues. This service enables patients and members of their families to know more about their state of health and to be familiar with the treatment options, from a belief that knowledge contributes to coping and assists the treatment process.
 - Home and community services – The home and community services department is for people with special needs, such as senior citizens and the homebound. The basket of services includes activities to enrich the daily routine and uncover hidden talents by means of social home visits, training in handicrafts, operating computers and documenting life stories.
 - Shikumon – day rehabilitation centers – Yad Sarah's Shikumon forms a day rehabilitation framework that is intended to provide a rehabilitative response for adults and young people who have experienced a traumatic event or who are suffering from a neurological disease, event or illness that has left them with physical or cognitive limitations, and who have not yet recovered their prior level of functioning.
 - Games library – The games library is a unique service operated by Yad Sarah. It affords an opportunity for enjoyable and nurturing play for children with special needs, by offering professional guidance for parents and lending games and books.
 - Yad LaTomech - This department provides support and assistance to individuals who are serving as caretakers, whether children who are caring for their elderly or sickly parents, or parents caring for sick children. The service provides both advice and instruction and other arrangements which are necessary.
 - Prevention of falling and "the Instruction Squad" – It is well known that falls of the elderly in their homes is a common occurrence, causing severe and often fatal injuries. Accordingly the association has setup this service specializing in preventing these falls, both by providing instruction in the homes of the elderly and in recommending accessories to prevent these falls. These accessories are set up by the Yad Sarah repair squad. The squad's volunteers set up handles and other accessories in the home in order to help prevent the elderly from falling.
- D. The Association has been recognized as a "Public Institution" by the Income Tax Commission under Section 9(2) of the Income Tax Ordinance and as a Public Institution for the Purpose of Donations under Section 46(A) of the Ordinance.
- E. The Association has total control (100%) in the company Yasam Medical and Rehabilitation Equipment Ltd., which is engaged in the marketing of medical equipment.

- F. The Association has total control (100%) in the company Y.S Margoa Ltd., which was established in 14th April 2019. At December 2019, the association communicated with the subsidiary in an agreement, according to it the subsidiary will construct a hotel facility which is accessible and adjusted for people with disabilities at this center.

Explanatory Notes to the Financial Statements

Note 2 - Principal accounting policies

Principal accounting policies that have been implemented consistently in the preparation of the financial statements, are as follows:

A. Definitions:

<u>The Association</u>	- Yad Sarah (R.A.)
<u>Subsidiary companies</u>	- Yasam Medical and Rehabilitation Equipment Ltd. Y.S Margoa Ltd.
<u>Net assets</u>	- The difference between the Association's assets and its liabilities.
<u>Net assets in respect of which no restriction exists</u>	- That part of the net assets on whose use no permanent or temporary restriction has been placed by donors.
<u>Net assets in respect of which a restriction exists</u>	- That part of the net assets, which derives from donations, which have been received or from any other internal flow of assets, on whose use by the Association there is a restriction set by donors.
<u>Restriction of a temporary nature</u>	- Directives that expire, on the occurrence of a particular event, or with the passage of time or where it can be complied with or removed by means of the performance of particular acts, in accordance with those directives.
<u>Restriction of a permanent nature</u>	- Restrictions by donors that do not expire with the passage of time. This restriction enables the use of the income from the donation alone.

B. Classification of net assets and the manner of their presentation:

1. The Association prepares its financial statements in accordance with the comprehensive approach, which is adopted in the combined version of Statement of Opinion 69 and Accounting Standard 5 of the Israeli Accounting Standards Board. In accordance with the comprehensive approach, all assets, liabilities and net assets are to be recorded in one balance sheet, and this is where restrictions are placed on the use of the various sources of financing that have been received, or in the absence of restrictions, are expressed in the distinctions made within the net assets group alone.
2. Classification of the Association's net assets in the statement of changes in net assets is made with a distinction between:
 - Net assets in respect of which no restriction exists.
 - Net assets in respect of which a restriction of a temporary nature exists.
 - Net assets in respect of which a restriction of a permanent nature exists.

Note 2 - Principal accounting policies (continued)

Within the framework of net assets in respect of which a restriction exists, the Association makes a distinction between:

- Net assets for use in operations – which have not been designated by the Association's institutions.
- Net assets for use in operations – which have been designated by the Association's institutions.
- Net assets used for fixed assets.

C. Restricted support and the release thereof from a restriction:

The Association reports on donations in cash or in assets as restricted support where they are received with directives that restrict the use of the asset that has been donated. When the restrictions that were given in the donor's directives expire, the net asset in respect of which there was a restriction of a temporary nature is transferred and reported as a net asset in respect of which no restriction exists, and is reported in the statement of operations as an asset that has been released from a restriction. The Association reports on land, buildings and equipment that have been received as a donation as support without restriction, except in cases in which the donor has given directives regarding the required use of the assets.

D. Data on changes in the Consumer Price Index and in the exchange rate of the shekel against the dollar

1. Assets and liabilities in foreign currency, or attached to it, have been included according to the representative exchange rates published by the Bank of Israel, and were valid to the day of the financial state report.
2. Assets and liabilities attached to the consumer price index were included according to the appropriate index for every asset or liability.

Here are details of the US dollar exchange rates and the consumer price index:

	31th December		
	2020	2019	2018
Consumer Price Index (average for 1993)	223.1	224.67	223.33
US Dollar (NIS to Dollar)	3.215	3.456	3.748

	Rate of change in % during the year that ended in 31th December		
	2020	2019	2018
Consumer Price Index	(0.71)	0.6	0.79
US Dollar	(7)	(7.8)	8.1

E. Exchange rate:

Balances that are denoted in foreign currency or linked to foreign currency are recorded on the basis of the exchange rate in force as of the date of the financial statements.

F. Investments:

Negotiable securities are presented in accordance with their market value as of the Balance Sheet date.

Explanatory Notes to the Financial Statements

Note 2 – Principal accounting policies (continued)**G. Fixed assets:**

Fixed assets are presented at cost less accumulated depreciation in accordance with the useful lifetimes of the assets. The cost of assets that are received as a gift is taken at their fair value at the time of receipt.

Fixed assets are depreciated at the following rates:

Medical devices for lending	15% - 25%
Emergency buzzers and computers	20% - 33%
Motor vehicles	15% - 20%
Equipment and furniture	6% - 15%
Buildings and renovations	4% - 10%

H. Basis for measuring and reporting of the financial statements:

The financial statements are prepared in nominal values in accordance with the historic cost convention, rather than in reported amounts as required by Accounting Standard 12 of the Israel Accounting Standards Board. The measured amount is the nominal sum that was adjusted for changes in the Consumer Price Index up to the index in respect of December 2003, plus nominal amounts that were added after the transition date (December 31, 2003), less sums that were subtracted after this date.

I. Investment in a subsidiary company:

Investment in a subsidiary company is presented using the balance statement value method.

Note 3 – Cash and cash equivalents

	As at December 31	
	2020	2019
	NIS thousands	
Cash in banks	-	342
Cash and checks on hand	27	57
Petty cash, including branches	566	491
	<u>593</u>	<u>890</u>

Explanatory Notes to the Financial Statements

Note 4 – Receivables and checks receivable

	As at December 31	
	2020	2019
	NIS thousands	
Subsidiary – Y.S Margoa – Construction costs (*)	19,118	18,584
Subsidiary – Yasam Medical and Rehabilitation Equipment	1,073	4,599
Receivables for participation in services	10,569	5,260
Advance payments to suppliers overseas	655	-
Credit companies and checks receivable	1,960	5,063
Prepaid expenses	9,077	10,596
Income receivable	1,142	787
Hanuton shop inventory	52	52
	<u>43,646</u>	<u>44,941</u>

(*) During the year of 2020, the mutual deals between the associate and it's subsidiaries was as following: Selling services and equipment in total of 4,330 thousand NIS. Buying equipment in total of 197 thousand NIS.

Note 5 – Long-term deposits and investments**A. Distribution of long-term deposits and investments according to funds:**

	As at December 31	
	2020	2019
	NIS thousands	
Weinberg Fund for the maintenance of Yad Sarah House in Jerusalem	48,010	38,009
Maintenance Fund for service centers (Beersheva, Haifa, Rishon Le'zion, Modi'in and Netanya)	58,210	33,785
"Gold" Fund to establish an Israeli rehabilitation center	59,569	87,327
Bloomberg Fund for emergencies	3,084	3,084
Ashdod Fund	5,115	3,211
Mrlid Fund	4,000	-
Loan fund for Doers of Kindness	39	598
	<u>178,027</u>	<u>166,014</u>

- Weinberg Maintenance Fund:** In accordance with the requirements of the Weinberg Fund from the United States (the founder of the building in Jerusalem), the donations have been invested in banks in deposits that are linked to the dollar for the long-term, and in marketable securities, the income from which, up to 5% of the value of the fund, is designated for the maintenance of Kiryat Weinberg – Yad Sarah House.
- Maintenance fund for service centers (Beersheva, Haifa, Rishon Le'zion, Modi'in and Netanya):** In accordance with a decision by the Association's institutions, the monies have been invested, the income from which is designated for maintenance of the branches.

Explanatory Notes to the Financial Statements

Note 5 – Long-term deposits and investments (continued)

3. **Gold Fund for the establishment of an Israeli rehabilitation center:** In accordance with a decision by the Association's institutions, the monies have been deposited in long-term deposits, the income from which is designated for establishment of a rehabilitation center.
4. **Bloomberg Fund for emergencies:** The fund is designated for the purchase of medical equipment immediately for emergencies and the income from the fund can be used for the Association's operating activities.
5. **Mlrd Fund:** The fund was established in order to serve as a source for emergency treatments that are not given at all, the fund finances medical treatments in the emergency medicine center and in a mobile for teeth treatments.
6. **Ashdod Fund:** The fund is designated for the service center in Ashdod
7. **Loan fund for Doers of Kindness:** This fund is designated for providing interest-free, non-indexed loans to volunteers.

B. Composition of deposits and investments under net assets (**):

	As at December 31	
	2020	2019
	NIS thousands	
Marketable securities	116,686	111,392
Dollar deposits	5,616	6,163
Shekel accounts and deposits	55,725	48,459
Investments in subsidiary	39,200	-
Total	217,227	166,014

(**) In accordance with a decision by the Association's management, some of the monies have been classified as long-term investments in parallel to net assets. The investments are presented in accordance with the Investment Committee's policy.

Note 6 – Investments in subsidiaries

	As at December 31	
	2020	2019
	NIS thousands	
Investment in Y.S Margoa subsidiary	64,667	29,772
Investment in Yasam Medical and Rehabilitation equipment	391	851
	65,058	30,623

Explanatory Notes to the Financial Statements

Note 7 – Fixed assets

	Medical devices for lending(*)	Emergency buzzers	Computers	Motor vehicles & wheelchair accessible vans	Furniture and equipment	Land and buildings (**)	Total
Cost							
Balance as at January 1, 2020	209,711	18,377	14,667	19,660	19,471	329,012	610,898
Additions in the year	18,796	3,767	24	3,332	810	1,842	28,571
Subtractions in the year	-	-	-	(10,198)	-	-	(10,198)
Balance as at December 31, 2020	<u>228,507</u>	<u>22,144</u>	<u>14,691</u>	<u>12,794</u>	<u>20,281</u>	<u>330,854</u>	<u>629,271</u>
Accrued depreciation							
Balance as at January 1, 2020	(182,773)	(17,096)	(14,365)	(10,435)	(12,241)	(173,820)	(410,730)
Additions in the year	(10,643)	(809)	(187)	(2,176)	(1,051)	(14,524)	(29,390)
Subtractions in the year	-	-	-	6,776	-	-	6,776
Balance as at December 31, 2020	<u>(193,416)</u>	<u>(17,905)</u>	<u>(14,552)</u>	<u>(5,835)</u>	<u>(13,292)</u>	<u>(188,344)</u>	<u>(433,344)</u>
Amortized cost as at Dec, 31, 2020	<u>35,091</u>	<u>4,239</u>	<u>139</u>	<u>6,959</u>	<u>6,989</u>	<u>142,510</u>	<u>195,927</u>
Amortized cost as at Dec, 31, 2019	<u>26,938</u>	<u>1,281</u>	<u>303</u>	<u>9,368</u>	<u>7,231</u>	<u>155,192</u>	<u>200,313</u>

(*) 802 thousand NIS received from selling an apartment in Halperin Street in Tel Aviv, that was sold in prior years, was destined by the association to finance the Israeli rehabilitation center.

Explanatory Notes to the Financial Statements

Note 8 – Suppliers and other payables

	As at December 31	
	2020	2019
	NIS thousands	
Suppliers and service providers	2,095	3,581
Checks payable	81	32
Institutions	908	1,128
Employees	1,644	1,279
Advances in respect of participation in services	7,454	7,982
Accrued expenses	60	55
	<u>12,242</u>	<u>14,057</u>

Note 9 – Deposits for lending equipment, net

	As at December 31	
	2020	2019
	NIS thousands	
Deposits for lending of equipment	51,015	45,941
Accounts as collateral for the return of the deposits	(51,014)	(45,940)
	<u>1</u>	<u>1</u>

Note 10 – Liability in respect of the termination of employee-employer relations, net

	As at December 31	
	2020	2019
	NIS thousands	
Reserve for severance pay	1,192	1,192
Reserve for vacation pay	773	688
	<u>1,965</u>	<u>1,880</u>

The Association's liabilities for the payment of severance pay to most of its employees are secured by deposits in insurance companies and pension funds. The reserve that is presented in the balance sheet expresses the liability to the rest of the employees.

Explanatory Notes to the Financial Statements

Note 11 – Cost of operations

	Welfare and rehabilitation	Lending and maintenance in branches	Total services	Administrative and general expenses	Total 2020	Total 2019
NIS thousands						
Lending and maintenance in branches (*)	-	37,535	37,535	-	37,535	31,752
Oxygen and special equipment	-	350	350	-	350	413
Transportation for mobility impaired - "wheelchair accessible vans"	6,405	-	6,405	-	6,405	7,999
Emergency buzzers	3,333	-	3,333	-	3,333	2,663
Day center for disabled and the elderly – Shikumon	551	-	551	-	551	2,520
Home activities, visiting the sick, life stories	691	-	691	-	691	1,044
Games library for children with special needs	46	-	46	-	46	206
Geriatric and mobile dental care	1,607	-	1,607	-	1,607	2,297
Family center (dealing with domestic violence)	1,241	-	1,241	-	1,241	1,492
Center for health activity	14	-	14	-	14	71
Research and development	358	-	358	-	358	535
Computers	885	696	1,581	-	1,581	1,526
Administration, professional services, legal fees, etc.	-	-	-	1,029	1,029	1,143
Finance Department	601	257	858	451	1,309	1,382
Personnel and volunteers	238	159	397	-	397	875
Publicity and public relations	838	559	1,397	-	1,397	1,323
Fundraising	-	-	-	3,655	3,655	3,293
Insurance	289	96	385	-	385	307
Depreciation of buildings	9,572	5,866	15,438	78	15,516	15,803
Volunteers' experience	443	-	443	-	443	756
Emergency Medical Care Center	3,622	-	3,622	-	3,622	4,458
Total (excluding value of volunteers' work)	30,734	45,518	76,252	5,213	81,465	82,627

Explanatory Notes to the Financial Statements

Note 12 - Other income (expenses)

	For the year ended	
	December 31	
	2020	2019
	NIS thousands	
Capital gains from the sale of land and motor vehicles	(658)	229
Rental fees (includes subsidiaries)	5,161	1,297
	<u>4,503</u>	<u>1,526</u>

Note 13 - Liabilities in respect of losses of a subsidiary company

	As at December 31	
	2020	2019
	NIS thousands	
The Association's share in gains (losses) of Yasam Medical and Rehabilitation Equipment	(459)	1,812
The Association's share in losses of Y.S Margoa	<u>(4,305)</u>	<u>(228)</u>
	<u>(4,764)</u>	<u>1,584</u>