

**Yad Sarah (R.A.)**

**Financial Statements**

**As at December 31, 2022**

**Yad Sarah (Registered Association)**

**Financial Statements**

**As at December 31, 2022**

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**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, 2022 and 2021 and the Association's statements of operations, statement of changes in net assets and statements of cash flow 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), 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, 2022 and 2021, 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).

21/9, 2023

**RSM Shiff Hazenfratz & Co.**  
**Certified Public Accountants**

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# Yad Sarah (R.A.)

## Balance Sheets

|                                                                                                             | Note | As at December 31 |                |
|-------------------------------------------------------------------------------------------------------------|------|-------------------|----------------|
|                                                                                                             |      | 2022              | 2021           |
|                                                                                                             |      | NIS thousands     |                |
| <b><u>Assets</u></b>                                                                                        |      |                   |                |
| <b><u>Current assets</u></b>                                                                                |      |                   |                |
| Cash and cash equivalents                                                                                   | 3    | 525               | 900            |
| Receivables and checks receivable                                                                           | 4    | 23,356            | 19,108         |
|                                                                                                             |      | <u>23,881</u>     | <u>20,008</u>  |
| <b><u>Long-term deposits and investments</u></b>                                                            | 5    |                   |                |
| Weinberg Fund for maintenance of Yad Sarah House in Jerusalem                                               |      | 143,215           | 62,014         |
| Maintenance Fund for service centers (Beersheva, Haifa, Rishon Le'zion, Modi'in and Netanya)                |      | -                 | 61,035         |
| Gold Fund for establishment of an Israeli rehabilitation center                                             |      | -                 | -              |
| Bloomberg Fund for emergencies                                                                              |      | 3,039             | 3,136          |
| Ashdod Fund                                                                                                 |      | 22,687            | 30,368         |
| Mrlid Fund                                                                                                  |      | 8,007             | 7,927          |
| Helmsley fund                                                                                               |      | 2,561             | -              |
| Loan fund for Doers of Kindness                                                                             |      | 35                | 43             |
|                                                                                                             |      | <u>179,544</u>    | <u>164,523</u> |
| <b><u>Investments in subsidiaries</u></b>                                                                   | 6    |                   |                |
| Investment in Y.S Margoa subsidiary                                                                         |      | 217,721           | 164,941        |
| Investment in Y.S.M medical and rehabilitation equipment subsidiary                                         |      | 69                | 204            |
|                                                                                                             |      | <u>217,790</u>    | <u>165,145</u> |
| Fixed assets, net – medical equipment, emergency alarm buzzers, wheelchair accessible vans, buildings, etc. | 7    | 111,249           | 156,726        |
| Total assets                                                                                                |      | <u>532,464</u>    | <u>506,402</u> |
| <b><u>Liabilities and net assets</u></b>                                                                    |      |                   |                |
| <b><u>Current liabilities</u></b>                                                                           |      |                   |                |
| Credit from a banking corporation                                                                           |      | 55                | -              |
| Suppliers and miscellaneous payables                                                                        | 8    | 10,493            | 17,121         |
| Deposits for lending equipment, net                                                                         | 9    | -                 | -              |
|                                                                                                             |      | <u>10,548</u>     | <u>17,121</u>  |
| <b><u>Long-term liabilities</u></b>                                                                         |      |                   |                |
| Liability in respect of the termination of employee-employer relationships, net                             | 10   | 2,495             | 1,879          |
|                                                                                                             |      | <u>2,495</u>      | <u>1,879</u>   |
|                                                                                                             |      | <u>13,043</u>     | <u>19,000</u>  |
| <b><u>Net assets in respect of which a restriction exists</u></b>                                           |      |                   |                |
| Net assets in respect of which a restriction of a temporary nature exists                                   |      | 36,065            | 33,504         |
| Net assets in respect of which a restriction of a permanent nature exists                                   |      | 143,218           | 62,014         |
|                                                                                                             |      | <u>179,283</u>    | <u>95,518</u>  |
| <b><u>Net assets in respect of which no restriction exists</u></b>                                          |      |                   |                |
| Designated by the Association's institutions                                                                |      | 168,065           | 189,400        |
| For use in operations                                                                                       |      | 41,300            | 45,758         |
| Net assets used for fixed assets                                                                            |      | 111,249           | 156,726        |
|                                                                                                             |      | <u>320,614</u>    | <u>391,884</u> |
| Fixed asset revaluation capital fund                                                                        |      | 19,524            | -              |
| Total net assets                                                                                            |      | <u>519,421</u>    | <u>487,402</u> |
| Total liabilities and net assets                                                                            |      | <u>532,464</u>    | <u>506,402</u> |

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

21/9 2023

*G. Schneller*  
Chairman of the Management  
Yeshayahu Schneller

Treasurer  
David Gross

**Statement of Operations**

|                                                            | Note | For the Year Ended<br>December 31 |                  |
|------------------------------------------------------------|------|-----------------------------------|------------------|
|                                                            |      | 2022                              | 2021             |
|                                                            |      | NIS thousands                     |                  |
| <b><u>Turnover from operations</u></b>                     |      |                                   |                  |
| Donations                                                  |      | 53,864                            | 43,662           |
| Donations in kind                                          |      | 1,103                             | 590              |
| <b><u>Allocations and Support</u></b>                      |      |                                   |                  |
| Ministry of Welfare                                        |      | 97                                | 187              |
| Ministry of Health                                         |      | 519                               | 515              |
| National Insurance Institute                               |      | 257                               | -                |
| Municipalities and local authorities                       |      | 231                               | 270              |
| <b><u>Participation by service recipients</u></b>          |      |                                   |                  |
| From the public at large                                   |      | 44,135                            | 40,802           |
| From institutions                                          |      | 9,900                             | 4,727            |
| Value of volunteers' work                                  |      | 28,255                            | 32,581           |
| <b><u>Amounts released from net assets</u></b>             |      |                                   |                  |
| Amounts released from net assets restricted for operations |      | -                                 | -                |
|                                                            |      | <u>138,361</u>                    | <u>123,334</u>   |
| <b><u>Cost of operations</u></b>                           | 11   |                                   |                  |
| Welfare and rehabilitation services                        |      | (31,630)                          | (41,551)         |
| Equipment leasing services and maintenance of branches     |      | (51,247)                          | (52,292)         |
| Value of volunteers' work                                  |      | (28,255)                          | (32,581)         |
|                                                            |      | <u>(111,132)</u>                  | <u>(126,424)</u> |
| Net income from operations                                 |      | <u>27,229</u>                     | <u>(3,090)</u>   |
| Administrative and general expenses                        |      | (2,368)                           | (2,070)          |
| Fundraising expenses                                       |      | (4,109)                           | (3,705)          |
|                                                            |      | <u>(6,477)</u>                    | <u>(5,775)</u>   |
| Other income                                               | 12   | <u>782</u>                        | <u>1,217</u>     |
| Net income before financing                                |      | <u>21,534</u>                     | <u>(7,648)</u>   |
| Financing income, net                                      |      | <u>(13,256)</u>                   | <u>14,551</u>    |
| Income after financing                                     |      | <u>8,278</u>                      | <u>6,903</u>     |
| Association's share of the losses of a subsidiaries        | 13   | <u>(4,844)</u>                    | <u>(2,548)</u>   |
| Net income for the year                                    |      | <u>3,434</u>                      | <u>4,355</u>     |

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

|                                                                                               | 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 | Revaluation of fixed assets |         |
| Balance as at Dec. 31, 2020                                                                   | 55,889                                    | 195,927               | 161,018                                      | 48,010                                   | 8,199                 | -                           | 469,043 |
| Permanently restricted donations                                                              | -                                         | -                     | -                                            | 12,102                                   | -                     | -                           | 12,102  |
| Donations and allocations                                                                     | -                                         | -                     | -                                            | -                                        | -                     | -                           | -       |
| Net income for the year                                                                       | 4,355                                     | -                     | -                                            | -                                        | -                     | -                           | 4,355   |
| Amounts designated in the year by the Association's management institutions                   | (53,983)                                  | -                     | 28,678                                       | -                                        | 25,305                | -                           | -       |
| Revaluation of funds                                                                          | -                                         | -                     | -                                            | 1,902                                    | -                     | -                           | 1,902   |
| Amounts released from a restricted net asset                                                  | -                                         | -                     | -                                            | -                                        | -                     | -                           | -       |
| Transfer of amounts in respect of which no restriction exists that were used for fixed assets | (12,880)                                  | 12,880                | -                                            | -                                        | -                     | -                           | -       |
| Amounts transferred to cover depreciation expenses                                            | 52,081                                    | (52,081)              | -                                            | -                                        | -                     | -                           | -       |
| Balance as at Dec. 31, 2021                                                                   | 45,758                                    | 156,726               | 189,400                                      | 62,014                                   | 33,504                |                             | 487,402 |
| Permanently restricted donations                                                              | -                                         | -                     | -                                            | 6,500                                    | -                     | -                           | 6,500   |
| temporary restricted donations                                                                | -                                         | -                     | -                                            | -                                        | 2,561                 | -                           | 2,561   |
| Other one-sided transfers                                                                     | -                                         | -                     | (74,704)                                     | 74,704                                   | -                     | -                           | -       |
| Net income for the year                                                                       | 3,434                                     | -                     | -                                            | -                                        | -                     | -                           | 3,434   |
| Amounts designated in the year by the Association's management institutions                   | (53,369)                                  | -                     | 53,369                                       | -                                        | -                     | -                           | -       |
| Revaluation of fixed assets                                                                   | -                                         | -                     | -                                            | -                                        | -                     | 19,524                      | 19,524  |
| Amounts temporary released from a restricted net asset                                        | -                                         | -                     | -                                            | -                                        | -                     | -                           | -       |
| Amounts designated by the Association's management institutions and released                  | -                                         | -                     | -                                            | -                                        | -                     | -                           | -       |
| Transfer of amounts in respect of which no restriction exists that were used for fixed assets | (284)                                     | 284                   | -                                            | -                                        | -                     | -                           | -       |
| Amounts transferred to cover depreciation expenses                                            | 45,761                                    | (45,761)              | -                                            | -                                        | -                     | -                           | -       |
| Balance as at Dec. 31, 2022                                                                   | 41,300                                    | 111,249               | 168,065                                      | 143,218                                  | 36,065                | 19,524                      | 519,421 |

**Statement of Cash Flows**

|                                                                                                   | <b>For the Year Ended<br/>December 31</b> |                   |
|---------------------------------------------------------------------------------------------------|-------------------------------------------|-------------------|
|                                                                                                   | <b>2022</b>                               | <b>2021</b>       |
|                                                                                                   | <b>NIS thousands</b>                      |                   |
| <b><u>Cash flows from operating activities</u></b>                                                |                                           |                   |
| Net income according to the statement of operations                                               | 3,434                                     | 4,355             |
| Donations designated for construction                                                             | 9,061                                     | 11,923            |
| Other designated income                                                                           | -                                         | 1                 |
| <b><u>Adjustments required to present cash flows from current operations -<br/>Appendix A</u></b> |                                           |                   |
| Expenses not involving cash flows                                                                 | 46,571                                    | 55,473            |
| Changes in assets and liabilities                                                                 | (6,599)                                   | 29,416            |
| Total adjustments required to present cash flows from current<br>operations - Appendix A          | 39,972                                    | 84,889            |
| Net cash generated by current operations                                                          | <u>52,467</u>                             | <u>101,168</u>    |
| <b><u>Cash flows from investment activities</u></b>                                               |                                           |                   |
| Purchase of fixed assets                                                                          | (29,478)                                  | (14,797)          |
| Investment in subsidiary                                                                          | (8,343)                                   | (100,087)         |
| Consideration from the disposal of fixed assets                                                   | -                                         | 519               |
| Decrease in long-term investments and deposits in banks                                           | -                                         | -                 |
| Decrease (Increase) in long-terms investments and deposits                                        | (15,021)                                  | 13,504            |
| Net cash used for investment activities                                                           | <u>(52,842)</u>                           | <u>(100,861)</u>  |
| Increase (Decrease) in cash and cash equivalents                                                  | <u>(375)</u>                              | <u>307</u>        |
| Cash and cash equivalents balance at the beginning of the year                                    | <u>900</u>                                | <u>593</u>        |
| <b>Cash and cash equivalents balance at the end of the year</b>                                   | <b><u>525</u></b>                         | <b><u>900</u></b> |

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

**Non-cash activity**

In 2022 the land and construction costs were transferred without tax to the subsidiary in the amount of 48,991 thousand nis according to Tax Commission under Section 104 A'.

**Statement of Cash Flows****Adjustments required to present cash flows from operating activities – Appendix A**

|                                                                                           | For the Year Ended<br>December 31 |                          |
|-------------------------------------------------------------------------------------------|-----------------------------------|--------------------------|
|                                                                                           | 2022                              | 2021                     |
|                                                                                           | NIS thousands                     |                          |
| <u>Expenses (income) not involving cash flows</u>                                         |                                   |                          |
| Depreciation and amortizations                                                            | 45,760                            | 53,245                   |
| Increase in liability for vacation leave and severance pay – net                          | 616                               | (86)                     |
| Capital (losses) gains                                                                    | 273                               | (234)                    |
| Prepaid expenses                                                                          | (4,376)                           | -                        |
| Subsidiary losses (gains)                                                                 | 4,844                             | 2,548                    |
|                                                                                           | <u>46,571</u>                     | <u>55,473</u>            |
| <br><u>Changes in assets and liabilities</u>                                              |                                   |                          |
| Decrease (increase) in receivables and debt balances                                      | 128                               | 24,538                   |
| Decrease in suppliers and checks payable                                                  | 384                               | (1,241)                  |
| Increase (Decrease) in payables and credit balances                                       | <u>(7,111)</u>                    | <u>6,119</u>             |
|                                                                                           | <u>(6,599)</u>                    | <u>29,416</u>            |
| <br><b>Total adjustments required to present cash flows from<br/>operating activities</b> | <br><b><u>39,972</u></b>          | <br><b><u>84,889</u></b> |

Explanatory Notes to the Financial Statements

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**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 123 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.
  - 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.<br>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:

|                                         | <b>31th December</b> |             |             |
|-----------------------------------------|----------------------|-------------|-------------|
|                                         | <b>2022</b>          | <b>2021</b> | <b>2022</b> |
| Consumer Price Index (average for 1993) | 241.4                | 229.4       | 223.1       |
| US Dollar (NIS to Dollar)               | 3.52                 | 3.11        | 3.215       |

|                      | <b>Rate of change in % during the year that ended in 31th December</b> |             |             |
|----------------------|------------------------------------------------------------------------|-------------|-------------|
|                      | <b>2022</b>                                                            | <b>2021</b> | <b>2020</b> |
| Consumer Price Index | 5.26                                                                   | 2.8         | (0.71)      |
| US Dollar            | 13.1                                                                   | (3.3)       | (7)         |

**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.

**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     | 20% - 33% |
| Emergency buzzers and computers | 25% - 33% |
| Motor vehicles                  | 20% - 25% |
| Equipment and furniture         | 8% - 20%  |
| Buildings and renovations       | 5% - 20%  |

**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**

|                                | <b>As at December 31</b> |             |
|--------------------------------|--------------------------|-------------|
|                                | <b>2022</b>              | <b>2021</b> |
|                                | <b>NIS thousands</b>     |             |
| Cash and checks on hand        | 9                        | 11          |
| Petty cash, including branches | 516                      | 889         |
|                                | <u>525</u>               | <u>900</u>  |

## Explanatory Notes to the Financial Statements

**Note 4 – Receivables and checks receivable**

|                                                            | <b>As at December 31</b> |               |
|------------------------------------------------------------|--------------------------|---------------|
|                                                            | <b>2022</b>              | <b>2021</b>   |
|                                                            | <b>NIS thousands</b>     |               |
| Subsidiary – Yasam Medical and Rehabilitation Equipment(*) | 2,667                    | 2,821         |
| Receivables for participation in services                  | 1,906                    | 1,442         |
| Credit companies and other receivables                     | 11,445                   | 10,813        |
| Prepaid expenses                                           | 2,945                    | 4,007         |
| Income receivable                                          | -                        | -             |
| Institutes                                                 | 4,376                    | -             |
| Hanuton shop inventory                                     | 17                       | 25            |
|                                                            | <u>23,356</u>            | <u>19,108</u> |

- (\*) During the year of 2022, the mutual deals between the associate and it's subsidiaries was as following: Selling services and equipment in total of 124 thousand NIS( last year 506 thousand nis). Buying equipment in total of 122 thousand NIS(95 thousand nis).

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

|                                                                                              | <b>As at December 31</b> |                |
|----------------------------------------------------------------------------------------------|--------------------------|----------------|
|                                                                                              | <b>2022</b>              | <b>2021</b>    |
|                                                                                              | <b>NIS thousands</b>     |                |
| Weinberg Fund for the maintenance of Yad Sarah House in Jerusalem                            | 143,215                  | 62,014         |
| Maintenance Fund for service centers (Beersheva, Haifa, Rishon Le'zion, Modi'in and Netanya) | -                        | 61,035         |
| "Gold" Fund to establish an Israeli rehabilitation center                                    | -                        | -              |
| Bloomberg Fund for emergencies                                                               | 3,039                    | 3,136          |
| Ashdod Fund                                                                                  | 22,686                   | 30,368         |
| Mrlid Fund                                                                                   | 8,007                    | 7,927          |
| Helmsley fund                                                                                | 2,561                    | -              |
| Loan fund for Doers of Kindness                                                              | 35                       | 43             |
|                                                                                              | <u>179,543</u>           | <u>164,523</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.

## Explanatory Notes to the Financial Statements

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

2. **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.
3. **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.
4. **Ashdod Fund:** The fund is designated for the service center in Ashdod
5. **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 (\*\*):

|                              | <b>As at December 31</b> |                |
|------------------------------|--------------------------|----------------|
|                              | <b>2022</b>              | <b>2021</b>    |
|                              | <b>NIS thousands</b>     |                |
| Marketable securities        | 141,746                  | 133,603        |
| Dollar deposits              | 112                      | 1,639          |
| Shekel accounts and deposits | 37,686                   | 29,281         |
| Investments in subsidiary    | 39,200                   | 39,200         |
| Total                        | <u>218,744</u>           | <u>203,723</u> |

(\*\*) 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**

|                                                          | <b>As at December 31</b> |                |
|----------------------------------------------------------|--------------------------|----------------|
|                                                          | <b>2022</b>              | <b>2021</b>    |
|                                                          | <b>NIS thousands</b>     |                |
| Investment in Y.S Margoa subsidiary                      | 217,721                  | 164,941        |
| Investment in Yasam Medical and Rehabilitation equipment | 69                       | 204            |
|                                                          | <u>217,790</u>           | <u>165,145</u> |

**ed assets**

|                                    | <b>Medical<br/>devices for<br/>lending(*)</b> | <b>Emergency<br/>buzzers</b> | <b>Computers</b> | <b>Motor vehicles &amp;<br/>wheelchair<br/>accessible vans</b> | <b>Furniture and<br/>equipment</b> | <b>Land and<br/>buildings<br/>(**)</b> |
|------------------------------------|-----------------------------------------------|------------------------------|------------------|----------------------------------------------------------------|------------------------------------|----------------------------------------|
| <b>st</b>                          |                                               |                              |                  |                                                                |                                    |                                        |
| Balance as at January 1, 2022      | 238,345                                       | 23,174                       | 14,760           | 11,124                                                         | 20,736                             | 334,0                                  |
| Additions in the year              | 15,481                                        | -                            | 366              | 1,653                                                          | 329                                | 12,2                                   |
| Subtractions in the year           | -                                             | -                            | -                | (1,220)                                                        | -                                  | (29,7                                  |
| Balance as at December 31, 2022    | <u>253,826</u>                                | <u>23,174</u>                | <u>15,126</u>    | <u>11,557</u>                                                  | <u>21,065</u>                      | <u>316,4</u>                           |
| <b>Accrued depreciation</b>        |                                               |                              |                  |                                                                |                                    |                                        |
| Balance as at January 1, 2022      | (210,191)                                     | (20,157)                     | (14,641)         | (6,949)                                                        | (15,847)                           | (217,6                                 |
| Additions in the year              | (17,019)                                      | (1,695)                      | (91)             | (2,102)                                                        | (2,022)                            | (22,8                                  |
| Subtractions in the year           | -                                             | -                            | -                | 922                                                            | -                                  | 2                                      |
| Balance as at December 31, 2022    | <u>(227,210)</u>                              | <u>(21,852)</u>              | <u>(14,732)</u>  | <u>(8,129)</u>                                                 | <u>(17,869)</u>                    | <u>(240,1</u>                          |
| Amortized cost as at Dec, 31, 2022 | <u>26,616</u>                                 | <u>1,322</u>                 | <u>394</u>       | <u>3,428</u>                                                   | <u>3,196</u>                       | <u>76,2</u>                            |
| Amortized cost as at Dec, 31, 2021 | <u>28,154</u>                                 | <u>3,017</u>                 | <u>119</u>       | <u>4,175</u>                                                   | <u>4,889</u>                       | <u>116,3</u>                           |

**Note 8 – Suppliers and other payables**

|                                                  | <b>As at December 31</b> |               |
|--------------------------------------------------|--------------------------|---------------|
|                                                  | <b>2022</b>              | <b>2021</b>   |
|                                                  | <b>NIS thousands</b>     |               |
| Suppliers and service providers                  | 1,320                    | 901           |
| Checks payable                                   | -                        | 34            |
| Institutions                                     | 921                      | 888           |
| Employees                                        | 1,608                    | 1,216         |
| Advances in respect of participation in services | 2,947                    | 7,510         |
| Accrued expenses                                 | 3,697                    | 6,572         |
|                                                  | <u>10,493</u>            | <u>17,121</u> |

**Note 9 – Deposits for lending equipment, net**

|                                                       | <b>As at December 31</b> |                 |
|-------------------------------------------------------|--------------------------|-----------------|
|                                                       | <b>2022</b>              | <b>2021</b>     |
|                                                       | <b>NIS thousands</b>     |                 |
| Deposits for lending of equipment                     | 59,736                   | 56,833          |
| Accounts as collateral for the return of the deposits | <u>(59,736)</u>          | <u>(56,833)</u> |
|                                                       | <u>-</u>                 | <u>-</u>        |

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

|                           | <b>As at December 31</b> |              |
|---------------------------|--------------------------|--------------|
|                           | <b>2022</b>              | <b>2021</b>  |
|                           | <b>NIS thousands</b>     |              |
| Reserve for severance pay | 1,891                    | 1,192        |
| Reserve for vacation pay  | 604                      | 687          |
|                           | <u>2,495</u>             | <u>1,879</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<br>rehabilitation | Lending and<br>maintenance<br>in branches | Total<br>services | Administrative<br>and general<br>expenses | Total<br>2022 | Total<br>2021 |
|------------------------------------------------------------------------|-------------------------------|-------------------------------------------|-------------------|-------------------------------------------|---------------|---------------|
| NIS thousands                                                          |                               |                                           |                   |                                           |               |               |
| Lending and maintenance in branches (*)                                | -                             | 36,492                                    | 36,492            | -                                         | 36,492        | 37,547        |
| Oxygen and special equipment                                           | -                             | 400                                       | 400               | -                                         | 400           | 276           |
| Transportation for mobility impaired -<br>"wheelchair accessible vans" | 4,214                         | -                                         | 4,214             | -                                         | 4,214         | 4,831         |
| Emergency buzzers                                                      | 4,521                         | -                                         | 4,521             | -                                         | 4,521         | 5,724         |
| Day center for disabled and the elderly –<br>Shikumon                  | 926                           | -                                         | 926               | -                                         | 926           | 589           |
| Home activities, visiting the sick, life stories                       | 242                           | -                                         | 242               | -                                         | 242           | 285           |
| Games library for children with special<br>needs                       | -                             | -                                         | -                 | -                                         | -             | -             |
| Geriatric and mobile dental care                                       | 1,342                         | -                                         | 1,342             | -                                         | 1,342         | 1,511         |
| Family center (dealing with domestic<br>violence)                      | -                             | -                                         | -                 | -                                         | -             | 5             |
| Center for health activity                                             | 153                           | -                                         | 153               | -                                         | 153           | 149           |
| Research and development                                               | 5                             | -                                         | 5                 | -                                         | 5             | 14            |
| Computers                                                              | 712                           | 1,322                                     | 2,034             | -                                         | 2,034         | 3,059         |
| Administration, professional services, legal<br>fees, etc.             | -                             | -                                         | -                 | 1,163                                     | 1,163         | 1,030         |
| Finance Department                                                     | -                             | -                                         | -                 | 1,084                                     | 1,084         | 884           |
| Personnel and volunteers                                               | 912                           | 1,771                                     | 2,683             | -                                         | 2,683         | 335           |
| Publicity and public relations                                         | 455                           | 372                                       | 827               | -                                         | 827           | 737           |
| Fundraising                                                            | -                             | -                                         | -                 | 4,109                                     | 4,109         | 3,705         |
| Insurance                                                              | 7                             | 5                                         | 12                | -                                         | 12            | 2,117         |
| Depreciation of buildings                                              | 13,304                        | 10,885                                    | 24,189            | 122                                       | 24,311        | 31,243        |
| Volunteers' experience                                                 | 435                           | -                                         | 435               | -                                         | 435           | 414           |
| Emergency Medical Care Center                                          | 4,401                         | -                                         | 4,401             | -                                         | 4,401         | 5,163         |
| <b>Total (excluding value of volunteers'<br/>work)</b>                 | <b>31,630</b>                 | <b>51,247</b>                             | <b>82,877</b>     | <b>6,477</b>                              | <b>89,354</b> | <b>99,618</b> |

## Explanatory Notes to the Financial Statements

**Note 12 - Other income (expenses)**

|                                     | <b>As at December 31</b> |              |
|-------------------------------------|--------------------------|--------------|
|                                     | <b>2022</b>              | <b>2021</b>  |
|                                     | <b>NIS thousands</b>     |              |
| Capital Loss from sale of fix asset | 42                       | (234)        |
| Rent (including subsidiaries)       | 1,542                    | 1,346        |
| Tax income - provision              | (802)                    | (650)        |
| Covid 19 grants                     | -                        | 755          |
|                                     | <u>782</u>               | <u>1,217</u> |

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

|                                                                                         | <b>As at December 31</b> |                |
|-----------------------------------------------------------------------------------------|--------------------------|----------------|
|                                                                                         | <b>2022</b>              | <b>2021</b>    |
|                                                                                         | <b>NIS thousands</b>     |                |
| The Association's share in gains (losses) of Yasam Medical and Rehabilitation Equipment | (135)                    | (188)          |
| The Association's share in losses of Y.S Margoa                                         | (4,709)                  | (2,360)        |
|                                                                                         | <u>(4,844)</u>           | <u>(2,548)</u> |