



Platform Israel (Registered Association)

Financial Statements

for the period ended December 31, 2000

Archief Philip Staal

TRANSLATION

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for the period ended December 31, 2000

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**In case of discrepancies between this translation and the original Hebrew version
of our report, the Hebrew version will prevail.**

Auditors' report to the members of the
Platform Israel (R.A.)

We have audited the accompanying balance sheet of Platform Israel (R.A.), as of December 31, 2000, and the related combined statement of activities and changes in net assets and cash flows for the period then ended. These financial statements are the responsibility of the Executive Committee and the Management of the Association. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards, including those prescribed by the Israeli Auditors' Regulations (Mode of Performance), 1973. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Executive Committee and Management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

The abovementioned financial statements are based on the historical cost convention by nominal values. Information on the effect of the changes in the general purchasing power of the Israeli currency on the financial statements, pursuant to opinions of the Institute of Certified Public Accountants in Israel, has not been included in the above statements.

In our opinion, except for not including the above mentioned information, the financial statements present fairly, in conformity with generally accepted accounting principles, in all material respects, the financial position of the Association as of December 31, 2000 and the results of its activities and changes in net assets and cash flows for the year then ended.

Ben Shimon, Elias & Co.
Certified Public Accountants

Tel Aviv, April 22, 2001

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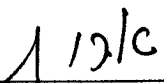
Platform Israel (R.A.)

Balance sheet

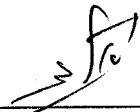
as of December 31, 2000

	<u>Note</u>	<u>NIS</u>
<u>Current assets</u>		
Cash and cash equivalents	3	410,090
Other receivables		755
		<u>410,845</u>
<u>Fixed assets</u>		
Office furniture and equipment	4	<u>75,375</u>
		<u>486,220</u>
<u>Current liabilities</u>		
Loan from the United Israel Appeal – Keren Hayesod (Holland)	5	115,256
Volunteers	6	119,871
Suppliers payable	7	150,301
Advances from the Dutch Ministry of Finance	8	610,591
Other payables	9	164,327
		<u>1,160,346</u>
<u>Long term liabilities</u>		
Liabilities due to termination of employee-employer relations	10	<u>12,283</u>
<u>Deficit in net assets</u> (there are no restrictions on their use)		<u>(686,409)</u>
		<u>486,220</u>

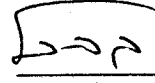
The notes and schedules accompanying the financial statements are an integral part thereof



Avraham Roet
Chairman



Barend Elburg
Secretary



Baruch Bar-tel
Treasurer

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Combined statement of activities and changes in net assets

for the period ended December 31, 2000

	Used for regular activities and fixed assets	Used for regular activities of the Werkgroep project	Used for regular activities of the Maror I.O. project	Use for regular activities of the Steunpunt project	Use for regular activities of the Helpdesk project	Total
	NIS					
Balance as at January 1, 2000	--	--	--	--	--	--
<u>Changes during the period:</u>						
<u>Activities turnover</u>						
Allocations received from abroad – (Schedule A)	496,554	--	--	--	--	496,554
<u>Cost of activities</u> (note 11)						
Wages and related benefits	15,135	--	23,113	--	44,962	83,210
Manpower and other services	78,636	21,718	--	5,625	33,112	139,111
Consulting and research	18,951	--	1,208	72,000	--	92,159
Rent and maintenance	3,487	--	4,750	4,213	15,638	28,088
Telephone and post	15,336	17,644	9,922	1,751	12,631	57,284
Stationery	6,887	3,269	4,111	5,263	3,525	23,055
Seminar expenses	--	--	--	--	7,187	7,187
Traveling and messengers services	2,251	--	4,743	2,033	4,743	13,770
Travel abroad	108,739	118,618	117,708	24,364	59,400	428,829
Advertising	212,224	790	1,808	--	--	214,822
Legal expenses	24,585	26,237	--	--	--	50,822
Accounting and auditing	16,808	3,600	8,783	8,783	8,783	46,757
Refreshments, gifts and donations	1,686	3,581	1,981	--	2,188	9,436
Depreciation of furniture and equipment	1,716	--	--	--	--	1,716
	<u>506,461</u>	<u>195,457</u>	<u>178,127</u>	<u>124,032</u>	<u>192,169</u>	<u>1,196,246</u>
Net expenses before net financing revenues	(9,907)	(195,457)	(178,127)	(124,032)	(192,169)	(699,692)
Financing revenues, net (schedule B)	13,283	--	--	--	--	13,283
Surplus (deficit) for the period	<u>3,376</u>	<u>(195,457)</u>	<u>(178,127)</u>	<u>(124,032)</u>	<u>(192,169)</u>	<u>(686,409)</u>
Balance as of December 31, 2000	<u>3,376</u>	<u>(195,457)</u>	<u>(178,127)</u>	<u>(124,032)</u>	<u>(192,169)</u>	<u>(686,409)</u>

There are no restrictions from external factors regarding the use of the above net assets.

The notes and schedules accompanying the financial statements are an integral part thereof

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Schedules to the Combined Statement of Activities and Changes in Net Assets for the period ended December 31, 2000

Schedule A – Allotments received from abroad

	<u>HFL</u>	<u>NIS</u>
1. Verbond Van Verzekeraars	63,000	114,067
2. Amsterdam Exchanges	64,350	107,546
3. Through the Centraal Joods Overleg (CJO) (*)	163,552	274,941
		<u>496,554</u>

The allotments received from the organizations 1 and 2 above were used to repay advertising expenses for the Association's activities.

The allotments received through CJO were earmarked to finance current activities of the Association.

(*) Funds received from CJO during the period of report are the income from the Maror funds invested until their distribution.

According to the agreement between CJO and the Platform Israel Association, the funds are divided according to the following key:

74% for CJO

26% for Platform Israel (R.A.)

Schedule B – Net financing revenues

Composition:

NIS

Revenues:

Interest from deposits and rate of exchange differences

18,253

Expense:

Bank interest and commissions

4,970

13,283

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Statement of cash flows

For the period ended December 31, 2000

	NIS
<u>Cash flows from operating activities:</u>	
Net assets deficit for the period	(686,409)
Reconciliations required to present cash flows from regular activities (Appendix)	1,051,094
Net cash provided by operating activities	<u>364,685</u>
<u>Cash flows from investing activities:</u>	
Acquisition of fixed assets	(77,091)
Net cash used for investing activities	<u>(77,091)</u>
<u>Cash flows from financing activities:</u>	
Receipt of loan from the United Israel Appeal – Keren Hayesod (Holland)	122,496
Net cash provided by financing activities	<u>122,496</u>
Increase in cash and cash equivalents	<u>410,090</u>
Balance of cash and cash equivalents at beginning of period	--
Balance of cash and cash equivalents at end of period	<u>410,090</u>

The notes and schedules accompanying the financial statements are an integral part thereof

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Statement of cash flows

For the period ended December 31, 2000

Appendix – Reconciliations required to present cash flows from operating activities

	NIS
<u>Revenues and expenses not connected with cash flows</u>	
Depreciation	1,716
Increase in liabilities due to termination of employee – employer relations	12,283
Linkage differences on a loan from the Israel United Appeal – Keren Hayesod (Holland)	(7,240)
<u>Changes in items of assets and liabilities</u>	
Increase in other receivables	(755)
Increase in volunteers payable	119,871
Increase in suppliers payable	150,301
Increase in advances from the Dutch Ministry of Finance	610,591
Increase in other payables	164,327
	<u>1,051,094</u>

The notes and schedules accompanying the financial statements are an integral part thereof

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Notes to the financial statements **for the period ended December 31, 2000**

Note 1: General

- a. The Association was founded on July 17, 2000 and is registered with the Registrar of non profit Associations under the number 580354579.
- b. The objects of the Association are to act as the umbrella organization of corporations of immigrants from Holland in Israel, in everything connected with victims of the Holocaust and the Second World War.
- c. Expenses for public activities of the Association spent prior to the completion of the registration at the Registrar of non profit Associations are included in the combined statements of activities and changes in net assets.
- d. During the year the Association was engaged in a number of activities, most of which will be financed by the Dutch Government as follows:
 1. Werkgroep – the activities of the Association during the period from April 1, 2000 to August 31, 2000 which include discussions with Dutch organizations regarding preparations for the return of Dutch Jewish property that disappeared in the Holocaust.
 2. Maror I.O. – the activities of the Association mainly during the period from September 1, 2000 to November 30, 2000, which include continued activities for the establishment of an organization to distribute the funds in Holland, Israel and the rest of the world regarding the return of Dutch Jewish property that disappeared during the Holocaust.
 3. Steunpunt - activities of the Association that started on October 1, 2000 to provide services and psychological/social support regarding the return of Dutch Jewish property that disappeared during the Holocaust
 4. Helpdesk – local activities of the Association, which started on December 1, 2000 to support and assist the distribution of the funds (Maror funds) to ex-Dutch survivors of the Holocaust and their heirs in Israel and to assist in completing the questionnaires and forms which need to be sent to Holland.
- e. The following amounts have not been included as revenues in the financial statements, to the total amount of NIS 689,785, which until the date of preparation of these financial statements the terms required in order to recognize them as revenues have not yet been met:
 1. Coverage of the deficit for the period of the Werkgroep project totaling NIS 195,457 by the Dutch Ministry of Finance – expected to be received after submitting the audited report of the expenses of the project by the Association.

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Notes to the financial statements **for the period ended December 31, 2000**

2. Coverage of the deficit of the Maror I.O. project totaling NIS 178,127 by the Dutch Ministry of Finance – expected to be received after submitting the audited report of the expenses of the project by the Association.
3. Coverage of the deficit of the Steunpunt. project totaling NIS 124,032 by the Dutch Ministry of Finance – the part of the finance received from the Ministry, used to finance the deficit on the submission of the auditors' report on the results of the project by the Association, are expected to be recognized as revenues.
4. Coverage of the deficit for the period of the Helpdesk project totaling NIS 192,169 by the Maror Association – Dutch Government funds (SMO) - expected to be received after approval of the project's budget, which is about to be submitted by the Association to the SMO.

Note 2: Accounting principles

- a. The financial statements were prepared on the basis of the historical cost conventions and do not include the effects of changes in the general purchasing power of the Israeli currency on the financial statements.

The rate of increase of the Index for the year ended December 31, 2000 is 0%.

- b. In accordance with generally accepted accounting principles for non-profit organizations, revenues and expenses are registered by the accrual basis.

c. Fixed assets

Fixed assets are presented at cost less accumulated depreciation on the balance sheet date. Depreciation is calculated by the straight-line method at annual rate considered to be sufficient to depreciate the assets over their expected useful lives.

The rates of depreciation calculated are as follows:

Office furniture and equipment	7% - 33%
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d. Balances of foreign currencies or linked to it

Assets and liabilities in foreign currencies or linked to it, are included in the financial statements at the representative rates published by the Bank of Israel for the date of the financial statements.

Linkage differences for assets and liabilities are included in the statement of activities when incurred.

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Notes to the financial statements for the period ended December 31, 2000

The following are data regarding rates of exchange:

	<u>Euro rate</u>	<u>HFL rate</u>
December 31, 2000	3.7628	1.7075
Rates of changes in percentages:		
For the year ended December 31, 2000	-9.87%	-9.87%

e. Relating expenses

Expenses which can be specifically identified are related in the books of the Association directly to the relevant project, in accordance with the period of activities as detailed in note 1d.

The following is the key set for classifying general expenses not related as mentioned above –

1. **Telephone expenses:** As of October 1, 2000 – 15% Steunpunt and 85% Maror I.O.
2. **Maintenance of office:** 15% general, 15% Steunpunt, 35% Helpdesk and 35% Maror I.O.
3. **Traveling and messenger services:** 15% general, 15% Steunpunt, 35% Helpdesk and 35% Maror I.O.
4. **Rent:** 10% general, 15% Steunpunt and 75% Helpdesk.
5. **Accounts and auditing:** As of October 1, 2000, - 25% general, 25% Steunpunt, 25% Helpdesk and 25% Maror I.O.
6. **Secretary's wages:** April – August, 2000 - 20% general, 80% Werkgroep.
As from October 2000 - 10% general, 10% Helpdesk and 80% Maror I.O.

f. Expenses for traveling abroad

Board and lodging expenses and travel abroad are up to the amount of the maximum expenses allowed for tax purposes in accordance with the Israeli Income Tax Regulations.

g. Classifying net assets according to use limitations

There are no restrictions on their use by external factors

h. Income taxes

According to Income Tax Regulations an Association, which is a "Public Institution" is exempt from taxes on revenues, on its non-business income.

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Notes to the financial statements for the period ended December 31, 2000

Note 3: Cash and cash equivalents

<u>a Composition:</u>	<u>NIS</u>
Current account in NIS	33,255
Current account in Euros	90,892
Fixed term deposit in Euros	255,931
Fixed term deposit in NIS	30,012
	<u>410,090</u>

- b The cash and cash equivalents include cash and deposits with banks deposited for a period not exceeding 3 months.

Note 4: Fixed assets

	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Depreciated cost</u>
<u>a. Composition</u>	<u>NIS</u>	<u>NIS</u>	<u>NIS</u>
Office furniture and equipment	<u>77,091</u>	<u>1,716</u>	<u>75,375</u>

- b Method of evaluation and depreciation policy – see note 2c.

Note 5: Loan from the United Israel Appeal – Keren Hayesod (Holland)

A loan of HFL 67,500 received from Collectieve Israel Actie (CIA). The loan is denominated in HFL and does not bear interest. A specific date of repayment has not yet been fixed.

Note 6: Volunteers

Including balances to the credit of volunteers in the Association for the repayment of board and lodging expenses abroad.

Note 7: Suppliers

<u>Composition:</u>	<u>NIS</u>
Open account	71,727
Checks payable	78,574
	<u>150,301</u>

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Notes to the financial statements for the period ended December 31, 2000

Note 8: Advances from the Dutch Ministry of Finance

Advances of HFL 383,500 received from the Dutch Ministry of Finance (Minfin), for the Steunpunt project. No final approval has yet been received from the Dutch Ministry of Finance regarding the possibility to recognize the amount received as an allocation.

Note 9: Other payables

<u>Composition:</u>	<u>NIS</u>
Employees and institutions on account of employees' wages	15,197
Accrued expenses	114,000
Others	35,130
	<u>164,327</u>

Note 10: Liabilities due to termination of employee – employer relations

Liabilities to employees for the termination of employee–employer relations, cover the liabilities of the Association to pay severance payment to its employees on the balance sheet date.

Liabilities due to the termination of employee – employer relations include liabilities for severance pay for an employee, who started her work in the framework of an association which is a related party, and whose work the Platform Israel Association continues.

Note 11: Activities with related parties

The Association has activities with related parties as defined in opinions 29 and 69 of the Institute of Certified Public Accountants in Israel.

The balance of these activities with related parties included in the financial statements are as follows:

- a. Balance sheet:
Balances of suppliers included in the balances of the related parties of NIS 30,313.
- b. Statements of activities:
Expenses in the statements of regular activities - NIS 119,083
Expenses in the statements of activities of the Werkgroep project – NIS 38,585.
Expenses in the statements of activities of the Maror I.O. project – NIS 10,510.
Expenses in the statements of activities of the Steunpunt project – NIS 85,703.
Expenses in the statements of activities of the Helpdesk project – NIS 44,424.