

**Auditors Report
For shareholders of
Israel Social TV for the Advancement of Social Agenda in Israel**

I have audited the accompanying balance sheets of Israel Social TV for the Advancement of Social Agenda in Israel (hereinafter – the Company) as of Dec. 31, 2020 and 2019 and the statements of operations, the related statements of changes in the net assets for the years then ended. These financial statements are in the responsibility of the board of directors and management of the Company. My responsibility is to express an opinion on these financial statements based on our audit.

I conducted my audits in accordance with Generally Accepted Auditing Standards, including those prescribed under the Auditors' Regulations (Auditor's Mode of Performance) – 1973. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. 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 board of directors and management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019 and the statements of operations, changes in net assets for the years then ended, on the same dates according to Israeli GAAP.

Zirler, Moshe
CPA

Tel Aviv June 22, 2022

ZIRLER MOSHE C.P.A. (ISR.)

Social TV for the Advancement of Social Agenda in Israel Ltd

Report on the financial situation

To 31 December 2021

	Note	31/12/2020 NIS	31/12/2021 NIS
<u>Current assets:</u>			
Cash and cash equivalents to other	3	284,341	334,095
Debtors and debit balances			118,616
Total current assets:		284,341	452,711
<u>Fixed assets:</u>			
	4	19,221	7,860
Total assets:		<u>303,562</u>	460,571

The notes to the financial statements form an integral part thereof

ZIRLER MOSHE C.P.A. (ISR.)

**Social TV for the Advancement of Social Agenda in Israel Ltd.
Report on the financial situation
As of December 31, 2021**

	Note	31/12/2020 NIS	31/12/2021 NIS
<u>Current liabilities</u>			
Employed:			
Suppliers	5	14,228	14,228
Various creditors and credit balance		1,170	6,891
Total current liabilities	-	5,494	119,382
		20,892	140,277
<u>Equity</u>			
Share capital	7		
		900	1000
<u>Liabilities</u>		21,792	141,277
<u>Net assets:</u>			
Net assets for which there is no restriction:			
Assets tended to be used for activities:			
Not designated by non-profit institutions		262,549	311,434
Permanent property used		19,221	7,860
Net assets for which there is a restriction		-	-
<u>Total net assets</u>		281,770	319,294
Total liabilities and net assets		303,562	460,571

The notes to the financial statements form an integral part thereof

Board member: _____ Board
member _____

Date of approval of the financial statements: 2021 June 27

ZIRLER MOSHE C.P.A. (ISR.)

Social TV for the Advancement of Social Agenda in Israel Ltd.
Report on the activities
For the year ended December 31, 2021

	NOTE	31/12/2020 NIS	31/12/2021 NIS
Activity cycle:			
Donations	8	992,658	739,563
Revenue activities	9	<u>64,430</u>	<u>120,479</u>
Activities Cycle Total Cost of activities:		1,057,088	860,042
The activities cost			
Net income from operations	10	<u>863,951</u> 193,137	<u>653,625</u> 206,417
General management and expenses	11	<u>188,333</u>	<u>186,833</u>
Net income (expenses) before financing		4,804	39,584
Net expense financing		<u>(2,118)</u>	<u>(2,606)</u>
Net income (expenses) after financing		2,686	37,524

The notes to the financial statements form an integral part thereof

ZIRLER MOSHE C.P.A. (ISR.)

Social TV for the Advancement of Social Agenda in Israel Ltd.

Report on changes in net assets
For the year ended 31 December 2021

	<u>Which are NOT limited net assets for use For activities</u>		<u>Which ARE limited</u>				
	Which are not limited for use of activities NIS	Which are not limited for use of fixed asset NIS	Which are not limited temporarily NIS	Which are limited permanently NIS			Total NIS
Balance for January 1, 2020	213,581	65,522					279,083
Net income (deficit) per year	(2,687)						2,687
Transfer of sums which are not limited – used for fixed	46,301	(46,301)					-
Assets sums transferred to cover depreciation expenses	31,981	(31,981)					
Balance for December 31, 2020	262,549	19,221	-	-	-		281,770
Net income (deficit) per year	37,524						37,524
Assets which are not limited for use of fixed asset	(4,329)	4,329					
Sums transferred to cover depreciation expenses	15,690	(15,690)					-
Balance December 31, 2021	<u>311,434</u>	<u>7,860</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>281,770</u>

The notes to the financial statements form an integral part thereof

ZIRLER MOSHE C.P.A. (ISR.)

Israel Social TV for the Advancement of Social Agenda in Israel

Notes to the financial statements

Note 1 – General

The company was established on August 2003 and according to its goals was registered as a non profit organization by the tax authorities under no. 452. On August 2010 its name was changed to Israel Social TV for the Advancement of Social Agenda in Israel.

The company's main goals:

- a. Establishing a supportive community, whose members are committed to Israel Social TV's values and principles, who possess human and social capital (resources, capabilities, know-how and connections), which they will drive, as individuals or as a group, for concentration and magnification either personal or in the community.
- b. Development of empowering processes which will enable breakthrough in employment issues.
- c. Breaking the link between economic class and social status.
- d. Creation of community safety net, by the development of networks and commitments (intra and inter community) and creation of a mechanism for sharing and developing the use of human capital for the purpose of the community members as well as other groups in society.
- e. Development of responsibility and social involvement in the community and in the society to promote human rights, social justice and peace.

Since 2008 the organization operates the community television project, production of video reports on community issues, social, economical and cultural issues by social activists, which are presented online as well as on the community television channel.

The financial reports are presented in nominal historical values. The financial reports for the dates and periods after Dec. 31, 2003 are not presented at reported amounts, and the financial reports for the dates and periods prior to that date are not presented at values adjusted until that date to the changes in the general purchasing power of the Israeli Shekel in contradiction to the standards set by the Israeli Accounting Standards Institute.

ZIRLER MOSHE C.P.A. (ISR.)

Israel Social TV for the Advancement of Social Agenda in Israel
Notes to the financial statements

Note 2 - Principles of the accounting policy

- a. Influence of changes in the general purchasing power of the Israeli currency.

The Financial reports are presented according to generally accepted accounting principles at the historical cost convention and do not express the effect of the changes in the general purchasing power of the Israeli currency on the results of the operations.

b. Fixed Assets

Fixed assets are presented in the financial statements at cost. Depreciation is calculated according to the straight line method at annual rate which are considered sufficient for depreciating the assets along its useful life expectancy, as follows:

Furniture and equipment	6-33
Improvements in rented property	10

%

Note 3 – Current Assets

Cash in NIS

12/31/2021
NIS

12/31/2020
NIS

334,095

284,341

Note 4 – Fixed Assets

	Cost	Accumulated Depreciation	Depreciated Cost	
	31.12.2021 NIS	31.12.2020 NIS	31.12.2021 NIS	31.12.2020 NIS
Computers and camera equipment	245,909	238,049	7,860	19,221
Improvements in rented property	<u>52,898</u>	<u>52,898</u>	-	<u>19,221</u>
	294,478	275,257	7,860	19,221

Note 5 – Employees

	31.12.2021 NIS	31.12.20 NIS
Employees and institutions on basis of salary	14,004	14,228

ZIRLER MOSHE C.P.A. (ISR.)

Israel Social TV for the Advancement of Social Agenda in Israel
Notes to the financial statements

Note 6 – various creditors and credit balance

12/31/2021

12/31/2020

Pension funds	NIS 112,473 6,909 <hr/> 119,382	NIS 5,494 <hr/> 5,494
Note 7 – Share Capital		
Ordinary shares of 1 NIS each	Registered 40,000	Issued and paid 1000
Note 8 – Donations		
	2021	2020
	NIS	NIS
Donations from funds and private donors:		
Sigrid Rausing Trust	330,908	336,075
CCFD Foundation	61,790	62,855
AFSC	51,341	53,471
British Shalom Salaam Trust	-	21,535
XMINY Foundation	-	7,844
Donations from individuals	2050	1,590
MAZON	112,002	102,141
	<hr/> 554,700	<hr/> 583,381
Donations from foreign countries:		
The European Union (The Adam Institute)	<u>100,756</u>	<u>214,907</u>
Other donations:		
Grant from the Ministry of Communications	64,800	123,200
Donations value – volunteers	19,307	71,170
	<hr/> 739,563	<hr/> 992,658

ZIRLER MOSHE C.P.A. (ISR.)

Israel Social TV for the Advancement of Social Agenda in Israel
Notes to the financial statements

Note 9 – Income from Operations

2021 **2020**

Income from professional operations	NIS 120,479	NIS 64,430
	=====	=====
Note 10 – Cost of Operations		
	2021	2020
	NIS	NIS
Content Insurance	5,037	2,285
Advertising	10,498	17,988
Salaries salaried emp. & subcontractors	526,375	539,024
Volunteers wages value	19,307	71,170
Projects and operations expenses	40,446	24,235
Taxes and maintenance for studio and editing room	538	1,506
Internet website operation	28,397	14,249
Depreciation	15,690	46,301
Electricity for studio and editing rooms	668	7,015
Rent for studio and editing rooms	6,669	140,178
	653,625	863,951
	=====	=====

Note 11 – General and Administrative Expenses

	2021	2020
	NIS	NIS
Wages	147,545	175,272
Professional services	16,380	11,700
Office expenses	72	224
Taxes and fees	1,133	1,137
Refreshments and gifts	1,073	
	166,833	188,333

ZIRLER MOSHE C.P.A. (ISR.)

Social TV for the Advancement of Social Agenda in Israel Ltd.

File number 513449504

Adjustment report for income tax purposes

For the tax year 2020

	NIS
Profit, according to the attached profit and loss statement	37,524
Profit generated this year	37,524
Losses are carried forward from previous years	(189,370)
Loss adjusted for income tax needs for tax year	(151,846)

Morly Eckstein

מורלי אקסטין

024955866 :ס.א

Board member

Sharon Or Shamesh

שרון אור שמעש

Board member

028537900 :ס.א

ZIRLER MOSHE C.P.A. (ISR.)

Zirler Moshe

Certified Public Accountant

34, Itzhak Sade St. Tel Aviv 67213

Tel 972-3-8874533 Fax 972-3-5379535

Auditor's Opinion

I have audited the Israel Social TV for the Advancement of Social Agenda in Israel's reconciliation statement for the tax year 2021 (to which the signed forms with my signature were attached for identification) which coordinates the organization's profit according to the profit and loss statement for the year that ended on December 31 2021, for the profit which was declared for the purpose of income tax, for the mentioned tax year.

The expense check detailed in with reference to "conditions for deduction of specific expenses", the required calculations according to paragraph 3(J) of the Income Tax Ordinance and the fulfillment of the conditions detailed in paragraph 32A of the order, have been made in a scope agreed upon between the Israel Tax Authority and the Institute of Certified Public Accountants in Israel, for all that is implied.

In my opinion, subject to the aforesaid in the previous paragraph, the aforementioned reconciliation statement was conducted according to the Income Tax Ordinance and the transitory provision regarding the end of the incidence of the Income Tax Law (coordination due to inflation), 1985.

Zirler Moshe
CPA

Tel Aviv
June 22, 2022

ZIRLER MOSHE C.P.A. (ISR.)