

The Jerusalem Theatre Company (R.A)

Financial Statements

for the year ended December 31, 2007



Daniel Guttman & Co.
Certified Public Accountants (Isr.)

36 Keren HaYesod St. • Jerusalem
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To the Management of:

July 1, 2008

The Jerusalem Theatre Company (R.A)
Jerusalem

Dear Sirs;

We have audited the accounts of The Jerusalem Theatre Company (R.A), an Israeli Registered Amuta, for the year ended December 31, 2007. We hereby deliver, in this, the financial reports and attached opinions, as follows:

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Sincerely,

Daniel Guttman & Co.
Certified Public Accountants



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Auditors' Report
to the Members of The Jerusalem Theatre Company (R.A)

We have audited the attached balance sheets of The Jerusalem Theatre Company (R.A) as of December 31, 2007 and 2006 and the respective Statement of Activities, Report on Changes in Net Assets and Report on Cash Flow for each of the above years. The financial reports are the responsibility of the Executive Committee of the Amuta. Our responsibility is to express an opinion on these financial statements based on our audit.

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

The financial reports are presented at nominal values and not in Reported Amounts, pursuant to standards of the Israel Accounting Standards Board.

In our opinion, based on our examination, the aforementioned financial statements present fairly, in all material aspects, the financial position of the Amuta as of December 31, 2007 and 2006 and the results of activities, changes in net assets and cash flows for each of the years then ended in conformity with generally accepted accounting principles.

Daniel Guttman & Co.
Certified Public Accountants

Jerusalem July 1, 2008

The Jerusalem Theatre Company (R.A)
Balance Sheet

		At December 31	
		2006	2007
		NIS	NIS
<u>Current Assets</u>	Note		
Cash & Cash Value		117,508	1,092
Receivables		187,547	55,974
Debtors		28,891	254,861
Total Current Assets		333,946	311,927
<u>Fixed Assets</u>	3	22,809	16,964
Total Assets		356,755	328,891
<u>Current Liabilities</u>			
Outstanding Cheques		-	24,482
Employees and related		35,619	29,031
Suppliers		52,669	54,599
Sundry Payables		243,750	245,166
Total Current Liabilities		332,038	353,278
<u>Long Term Liabilities</u>			
Provision for Employees' Severance Pay	4	61,244	73,459
Total Liabilities		393,282	426,737
<u>Net Assets</u>			
Unrestricted Net Assets - available for the Amuta's activities, and for which there are no specific restrictions imposed.		(36,527)	(97,846)
Total Net Assets & Liabilities		356,755	328,891

Director

Director

The Notes to the financial statements are an integral part thereof.

The Jerusalem Theatre Company (R.A)
Statement of Activities

		At December 31	
		2006	2007
Note		NIS	NIS
Turnover from Activities			
Contributions		1,002,347	1,038,189
Donations		278,361	194,161
Income from activities		207,918	470,099
Total Turnover from Activities		1,488,626	1,702,449
Cost of Activities			
Salaries & Related Expenses		631,333	503,087
Activities	5	684,209	926,943
Total Cost of Activities		1,315,542	1,430,030
Net Surplus from Activities			
General Operating Expenses	6	221,688	325,315
Net Surplus Before Finance Costs		(48,604)	(52,896)
Net Finance Expense	7	(5,861)	(8,423)
<i>Other Expenses - Net</i>		-	
Net Surplus After Finance Costs		(54,465)	(61,319)

The Notes to the financial statements are an integral part thereof.

The Jerusalem Theatre Company (R.A)

Statement of Changes in Net Assets

Year ended December 31, 2007

	NIS		
	Unrestricted Assets		Totals
	for Activities	for Fixed Assets	
Balance January 1, 2005	(16,123)	27,389	11,266
Net Surplus (Deficit) for the year	6,671		6,671
Purchase of Fixed Assets	(8,944)	8,944	-
Depreciation	13,903	(13,903)	-
			-
Balance December 31st 2005	(4,493)	22,430	17,937
Net Surplus (Deficit) for the year	(54,464)		(54,464)
Purchase of Fixed Assets	(13,860)	13,860	-
Depreciation	13,481	(13,481)	-
			-
Balance December 31st, 2006	(59,336)	22,809	(36,527)
Net Surplus (Deficit) for the year	(61,319)		(61,319)
Reduction in deficit during the year	41,269	(41,269)	-
Purchase of Fixed Assets	(3,500)	3,500	-
Depreciation	9,214	(9,214)	-
Reduction in depreciation	(41,138)	41,138	-
Balance December 31st 2007	(114,810)	16,964	(97,846)

The Notes to the financial statements are an integral part thereof.

The Jerusalem Theatre Company (R.A)

Statement of Cash Flow Year ended December 31, 2006

	2006	2007
	NIS	NIS
Cash Flow from activities:		
Surplus (Deficit) for the year	(54,465)	(61,319)
Adjustments to reconcile decrease in net assets to net cash used in operating activities:		
Contributions receivable		
Depreciation	13,481	(31,924)
Increase in provision for severance pay	71,236	12,215
Decrease in Debtors	(50,835)	(231,142)
 Decrease in Contributions Receivable	 38,497	 131,573
 Increase in Creditors	 18,781	 1,930
	91,160	(117,348)
 Net cash from operating activities	 36,695	 (178,667)
 Cash Flow from investing activities:		
Bank credit short term	(186)	24,482
Purchase of fixed assets	(13,860)	37,769
	(14,046)	62,251
 Opening cash balance	 94,859	 117,508
Cash balance at end of year	117,508	1,092

The Notes to the financial statements are an integral part thereof.

The Jerusalem Theatre Company (R.A)

Notes to the Financial Statements

Note #1 – General

The Jerusalem Theatre Company (R.A) was founded as an Israeli Registered Amuta (non-profit institution) on September 11, 1985 (Reg. # 58-008-022-4). The Amuta functions within the framework of Section 9 (2) of the Income Tax Ordinance as a Public Institution, and is classified as a "Malkar" for the purposes of VAT .

Note #2 – Accounting Principles

The primary accounting principles which are consistently applied during the preparation of the financial statements for the previous year are as follows:

1. These financial statements are prepared on the basis of agreements on the historical costs, at nominal values and not on reported values as per the Accounting Standard #12 of the Israeli Accounting Standards Institution.
2. The financial statements were prepared according to the disclosure #69 of the Institute of Chartered Accountants in Israel.
3. Donations and contributions authorised but not yet received at the balance sheet date, were registered according to the following criteria:
 There is a confirmation by the donor.
 The moneys were received after the balance sheet date.

Note #3 – Fixed Assets

Description	Value Dec/31/2007	Accumulated Depreciaion Dec/31/2007	Depreciated Cost Dec/31/2007	Depreciated Cost Dec/31/2006
Office equipment	22,759	8,548	14,211	18,394
Computers and programs	34,636	31,883	2,753	4,415
	57,395	40,431	16,964	22,809

Note #4 – Provision for Employees' Severance Pay

Description	At December 31	
	2006 NIS	2007 NIS
Provision for severance pay	109,206	153,157
Deposits & payments	(47,962)	(79,698)
	61,244	73,459

The Jerusalem Theatre Company (R.A)
Notes to the Financial Statements (Con't)

Note #5 – Activities

	Expl. Note	For the Year ended December 31	
		2006 NIS	2007 NIS
Outsourcing		221,698	287,941
Lightning and scenic decoration		8,317	-
Travel		17,781	1,912
Workshops		2,261	6,056
Refreshments		8,582	2,188
Announcements and Public Relations		129,621	162,190
Professional literature		169	1,209
Communications		44,982	46,179
Travel abroad		57,649	61,994
Rental of premises and maintenance		65,588	132,419
Transportation		5,706	3,688
Theatrical productions		121,855	221,167
		684,209	926,943

Note #6 – General Operating Expenses

Description	For the Year ended December 31	
	2006 NIS	2007 NIS
Salaries and related expenses	111,632	210,810
Telephone/Communications	7,535	4,107
Office Maintenance	28,506	28,469
Accountant Fees	24,052	17,961
Office Supplies	10,787	10,160
Local Travel & Couriers	2,938	4,841
Gifts/Refreshments	2,495	3,072
Fines	1,694	n/a
Legal Counsel	-	-
Registrar's fees	1,089	1,103
Depreciation	13,481	9,214
Insurance	5,126	1,963
Office Rent	690	6,911
	210,025	298,611

The Jerusalem Theatre Company (R.A)
Notes to the Financial Statements (Con't)

Note #7 – Net Finance Income/Expense

	For the Year ended December 31	
	2006 NIS	2007 NIS
<i>Finance Related Expenses</i>		
Bank Commissions	(5,861)	(8,423)
<i>Finance Related Income</i>		
Interest Income		
Total Finance Income/Expense	(5,861)	(8,423)