

The Society for the Protection of Nature in Israel (RA)  
Educate. Love. Protect

The Society for the Protection of Nature in Israel (RA)

Financial Statements

As at December 31, 2018

**The Society for the Protection of Nature in Israel (RA)**

**Financial Statements**  
**For the year ending on**

**December 31, 2018**

The Society for the Protection of Nature in Israel (RA)

|  |  |
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02-531-2000

The Auditors’ report to members of the Society for the Protection of Nature in Israel (RA)

We have audited the balance of the Society for the Protection of Nature in Israel (RA) attached herein (hereinafter – "the **Society**") for December 31, 2011 and 2018, and the consolidated balances for the same dates; reports on the Society’s activities and the consolidated; reports of changes in net assets, and reports on the Society and its consolidated cash flows, for the years ending on those dates. These Financial Statements are the responsibility of the Management Committee and the Society’s administration. Our responsibility lies in expressing our expert opinion on these Financial Statements based on our audit.

We have not audited the Financial Statements of the limited partnership that was consolidated in a proportionate consolidation and whose assets included in the consolidation comprise about 1% of the consolidated assets as at December 31, 2017 and 2018 respectively, and the income included in the proportionate consolidation constitutes approximately 7% of the consolidation’s total revenues for those years. The Financial Statements of the limited partnership were audited by other accountants whose statements were made available to us for our opinion, so far as it relates to the amounts that are included for the same limited partnership, as based on the reports of other accountants.

We carried out our audit in accordance with accepted auditing standards in Israel, including those standards determined by the Regulations for Auditors (Operational Methods of Accountants) 5733 - 1973. According to these standards, we are required to plan the audit, carry it out with the goal of achieving a reasonable degree of assurance that the Financial Statements do not contain any significant misleading presentation. The audit includes a sample check of proofs supporting the sums and information contained in the Financial Statements. The audit also includes a general examination of the bookkeeping rules applied and the material estimates made by the Society’s Management Committee and Management, as well as an estimation of the presentation’s suitability in the Financial Statements in general. We are of the opinion that our audit provides a suitable basis for expressing our expert opinion.

In our opinion, based on our audit and reports by other auditors, the aforementioned Financial Statements well-reflect, in all the essential aspects, the financial status of the Society and its consolidation as at December 31, 2017 and 2018, and the results of the Society's activities, changes in net assets, and its cash flows, and the consolidation for each of the years ending on those dates in accordance with accepted accounting rules in Israel (Israeli GAAP).

Somekh Chaikin

Certified Public Accountants

June 23, 2019

Somekh Chaikin, Israeli partnership and member of the KPMG network of independent firms associated with KPMG  
International Cooperative ("KPMG”) International Swiss entity.

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| --- | --- | --- | --- | --- | --- |
| **Reports on activity for the year ending on December 31** | | | | | |
|  | Note | Consolidated | | Society | |
| **2018** | **2017** | **2018** | **2017** |
| NIS thousands | NIS thousands | NIS thousands | NIS thousands |
| **Current properties** | | | | | |
| Cash and Cash Value | 2 | **17,445** | 22,221 | **17,445** | 22,221 |
| Accounts Receivable | 3 | **29,733** | 28,043 | **28,572** | 26,663 |
| Accounts Receivable and Debit Balance | 4 | **3,038** | 3,186 | **3,033** | 2,906 |
| Inventory |  | **276** | 266 | **276** | 266 |
|  |  | **50, 492** | 53,716 | **49,326** | 52,056 |
| **Long-term investments** | | | | | |
| Negotiable Securities – Designated by management |  |  |  |  |  |
|
| For Fixed Assets | 12 | **33,983** | 38,706 | **33,983** | 38,706 |
| Long-term Prepaid Expenses | 16b | **1,623** | 1,721 | **1,623** | 1,721 |
| Long-time investment | 5 | **261** | 261 | **261** | 261 |
|  |  | **35,867** | 40,688 | **35,867** | 40,688 |
| **Fixed Assets** | 6 | **61,779** | 58,002 | **61,669** | 57,870 |
|  |  |  |  |  |  |
| **Total Assets** |  | **148,138** | **152,406** | **146,862** | **150,614** |
|  |  | | |  | |
| Joseph Ben-Artzi – Management Committee Chairman | Ran Finzi – Finance Committee member | | | Iris Hahn – General Manager | |
| Financial Statements approval date: June 23, 2019 | | | | | |

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| --- | --- | --- | --- | --- | --- |
| Consolidated | | | | Society |  |
|  |  | **2018** | **2017** | **2018** | **2017** |
|  | Note | NIS thousands | NIS thousands | NIS thousands | NIS thousands |
| **Current Liabilities** | | | | | |
| Short-term credit |  | **1,130** | 1,733 |  | – |
| Accounts Payable and Service Providers | 7 | **16,895** | 18,507 | **15,049** | 16,519 |
| Accounts Payable and other Credit Balances | 8 | **13,595** | 13,940 | **10,450** | 11,196 |
|  |  | **31,620** | 34,180 | **25,499** | 27,715 |
| **Long-term obligations** |  |  |  |  |  |
| Long-term loans | 9 | **1,526** | 1,513 | – | – |
| Obligation for termination of employee-Employer relationships, Net | 10 | **3,669** | 3,333 | **3,617** | 3,251 |
|  |  | **5,195** | 4,846 | **3,617** | 3,251 |
| **Investment in the corporation and held partnership** | 11 |  |  | **6,423** | 6,268 |
| **Total liabilities:** |  | **36,815** | 39,026 | **35,539** | 37,234 |
| **Net Assets** |  |  |  |  |  |
| NET assets that are not limited by outside agents: |  |  |  |  |  |
| Not designated by the Society |  | **6,936** | 6,998 | **6,936** | 6,998 |
| Designated by the Society | 12 | **36,321** | 41,860 | **36,321** | 41,860 |
| Served as Fixed Assets |  | **61,669** | 57,870 | **61,669** | 57,870 |
| Total net assets that are not limited |  | **104,926** | 106,728 | **104,926** | 106,728 |
| Net assets that are temporarily limited by outside agents |  | **6,397** | 6,652 | **6,397** | 6,652 |
| **Total Net Assets** |  | **111,323** | 113,380 | **111,323** | 113,380 |
| **Total Liabilities and Net Assets** |  | **148,138** | 152,406 | **146,862** | 150,614 |
|  | | | | | |
| The attached Notes constitute an inseparable part of the Financial Statements. | | | | | |

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|  | | Consolidated | | Society | |
| **2018** | **2017** | **2018** | **2017** |
|  | Note | NIS thousands | NIS thousands | NIS thousands | NIS thousands |
| **Activity cycle** | | | | | |
| Subsidies |  | **25,754** | 29,630 | **25,754** | 29,630 |
| Donations and participation |  | **16,494** | 14,313 | **16,494** | 14,313 |
| Amounts dropped from restriction |  | **4,336** | 4,561 | **4,336** | 4,561 |
|  |  | **46,584** | 48,504 | **46,584** | 48,504 |
| **Other sources** | | | | | |
| Membership Dues |  | **7,701** | 8,012 | **7,701** | 8,012 |
| Community and public activities |  | **17,947** | 15,247 | **17,947** | 15,247 |
| Field schools activity |  | **51,487** | 52,704 | **42,717** | 43,263 |
| Selling of hiking products |  | **1,228** | 1,521 | **1,228** | 1,521 |
| Training, consulting and supervisory activities |  | **11,728** | 10,693 | **11,728** | 10,693 |
|  |  | **90,091** | 88,177 | **81,321** | 78,736 |
|  |  | **136,675** | 136,681 | **127,905** | 127,240 |
| **Activity Cost** | | | | | |
| Salaries and related expenses |  | **55,551** | 52,348 | **54,305** | 51,118 |
| Educational and environmental activity |  | **31,120** | 30,657 | **24,556** | 23,561 |
| Purchase of products and printing |  | **2,326** | 1,871 | **2,326** | 1,871 |
| Other Miscellaneous Expenses | 13 | **40,419** | 41,810 | **40,108** | 41,422 |
|  |  | **129,416** | 126,686 | **121,295** | 117,972 |
| Net Activity Income |  | **7,259** | 9,995 | **6,610** | 9,268 |
| **Administrative and General Expenses** | 14 | **9,952** | 9,878 | **9,379** | 9,150 |
| Net surplus (deficit) before financing income (expenses) |  |  |  |  |  |
|  | **(2,693)** | 117 | **(2,769)** | 118 |
| **Net Financing Income (Expenses)** | 15 | **(1,907)** | 144 | **(1,679)** | 307 |
| **NET surplus (deficit) after financing** |  | **(4,600)** | 261 | **(4,448)** | 425 |
| Part of the profits (losses) in the held partnership |  |  |  |  |  |
|  | **–** | – | **(152)** | (164) |
| Net surplus (deficit) from regular activities |  |  |  |  |  |
|  | **(4,600)** | 261 | **(4,600)** | 261 |
| The attached Notes constitute an inseparable part of the Financial Statements. | | | | | |

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| --- | --- | --- | --- | --- | --- |
| That have no limitation by outside agents | | | | That have a temporary limitation by outside agents | Total |
| Not designated by the Society | | Served as Fixed Assets | Designated by the Society |
|  | NIS thousands | NIS thousands | NIS thousands | NIS thousands | NIS thousands |
| **Balance as at January 1, 2017** | 6,004 | 53,540 | 44,389 | 7,621 | 111,554 |
| **Changes during the year** |  |  |  |  |  |
| Surplus revenue on expenses for year – |  |  |  |  |  |
| Transferred from activity report | 261 | – | – | – | 261 |
| Subsidies | – | – | – | 2,507 | 2,507 |
| Donations and participation – amounts released from restriction | – | – | – | 3,619 | 3,619 |
| For Activities | – | – | – | (4,561) | (4,561) |
| To purchase Fixed assets | (1,897) | 4,431 | – | (2,534) | – |
| Sums transferred to cover depreciation expenses | 5,501 | (5,501) | – | – | – |
| Designated according to management decisions (Note 12) sums designated by the management and their designation | (5,500) |  | 5,500 | – |  |
| was realized (Note 12) | 2,629 | 5,400 | (8,029) | – | – |
| **Balance as at December 31, 2017** | 6,998 | 57,870 | 41,860 | 6,652 | 113,380 |
| **Changes during the year** |  |  |  |  |  |
| Surplus expenses over income per year – |  |  |  |  |  |
| Transferred from activity report | **(4,600)** | – | – | – | **(4,600)** |
| Subsidies | – | **–** | – | **2,464** | **2,464** |
| Donations and participation | – | *–* | – | **3,131** | **3,131** |
| Update estimation of limited amounts of donations dropped from restriction | – |  |  | **1,284** | **1,284** |
| For Activities | – | *–* | – | **(4,336)** | **(4,336)** |
| To purchase Fixed assets  Sums transferred to reimbursement | **(2,011)** | **4,809** |  | **(2,798)** | – |
| Depreciation | **5,460** | **(5,460)** | – | – | – |
| Designated according to management decisions (Note 12). | **(2,239)** |  | **2,239** | – | *–* |
| sums designated by the management and their designation Was realized (Note 12) | **3,328** | **4,450** | **(7,778)** |  |  |
| **Balance on December 31, 2018 6,936** | | **61,669** | **36,321** | **6,397** | **111,323** |
|  | | | | | |
| The attached Notes constitute an inseparable part of the Financial Statements. | | | | | |

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| **Reports on cash flows for the year that ended on December 31** | | | | |
|  | Consolidated | | Society | |
|  | **2018** | **2017** | **2018** | **2017** |
|  | NIS thousands | NIS thousands | NIS thousands | NIS thousands |
| **Cash flows from current activities** | | | | |
| NET surplus (loss) by activity report | **(4,600)** | 261 | **(4,600)** | 261 |
| Cash from ongoing activity – Appendix (A) | **(580)** | (742) | **(590)** | (745) |
| Net cash derived from current activities | **(5,180)** | (481) | **(5,190)** | (484) |
| **Cash flows from investment activity** | | | | |
| Fixed asset acquisition | **(9,269)** | (9,834) | **(9,259)** | (9,831) |
| Selling (acquiring) Negotiable Securities, net | **4,228** | (3,976) | **4,228** | (3,976) |
| Net cash used for investment activity | **(5,041)** | (13,810) | **(5,031)** | (13,807) |
| **Cash flows from financing activity** |  |  |  |  |
| Net income from restricted assets | **5,445** | 6,126 | **5,445** | 6,126 |
| Net cash derived from financing activity | **5,445** | 6,126 | **5,445** | 6,126 |
| **Decrease in Cash and Cash Value** | **(4,776)** | (8,165) | **(4,776)** | (8,165) |
| Cash and cash value balance for the beginning of the year | **22,221** | 30,386 | **22,221** | 30,386 |
| **Cash and Cash Value Balance for the end of the year** | **17,445** | 22,221 | **17,445** | 22,221 |
|  | | | | |
| The attached Notes constitute an inseparable part of the Financial Statements. | | | | |

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|  | Consolidated | | Society | |
|  | **2018** | **2017** | **2018** | **2017** |
|  | NIS thousands | NIS thousands | NIS thousands | NIS thousands |
| **Appendix (a) – Adjustments required to present cash flows from current activity** |  |  |  |  |
| **Expenses (income) that do not involve cash flows** |  |  |  |  |
|  |  |  |  |  |
| Amounts released from restriction | **(4,336)** | (4,561) | **(4,336)** | (4,561) |
| Depreciation | **5,492** | 5,542 | **5,460** | 5,501 |
| Increase in liability for termination |  |  |  |  |
| of Employee-Employer relationships, Net | **336** | 393 | **366** | 301 |
| Part of the losses (profits) in held partnership | **–** | – | **155** | 164 |
| Financing expenses | **694** | 182 | **1,284** | – |
| A loss (profit) from securities | **495** | (1,210) | **495** | (1,210) |
|  | **2,681** | 346 | **3,424** | 195 |
| **Changes in property and liability sections** |  |  |  |  |
| Decrease (increase) of clients | **(1,690)** | 814 | **(1,909)** | 982 |
| Decrease (increase) in Accounts Receivable other Debit Balances | **298** | (103) | **23** | 26 |
| Decrease (increase) in inventory | **(10)** | 11 | **(10)** | 11 |
| Increase (decrease) in vendors and service providers | **(1,612)** | (1,522) | **(1,470)** | (1,878) |
| Decrease in Accounts Payable and other Credit Balances | **(345)** | (388) | **(746)** | (181) |
| Decrease in long-term Prepaid Expenses | **98** | 100 | **98** | 100 |
|  | **(3,261)** | (1,088) | **(4,014)** | (940) |
|  | **(580)** | (742) | **(590)** | (745) |
| The attached Notes constitute an inseparable part of the Financial Statements | | | | |

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**Notes to Financial Statements as at December 31, 2018**

Note 1 – Reporting Rules and Accounting Policy

1. **General**
2. The Society for the Protection of Nature in Israel (hereinafter – the “**Society”**) was founded as an Ottoman society in October 1953 and recognized as a public institution in September 1983. The Society is recognized as a public institution as defined in sections 9(2) and 46 of the Income Tax Regulation.

The main aims and activities of the Society are the preservation and education for protecting the values of nature and the treasures of the landscape, nurturing an affinity and love for, and knowledge of, the Land of Israel, promoting and spreading the importance of nature and the environment, from the beginning of the settlement period, and conducting research and gathering information to promote these goals.

1. The Financial Statements are arranged according to the format set according to a combined version of statement number 69 and Accounting Standard #5 concerning accounting and financial reporting rules by non-profit organizations and accounting standard number 36.
2. **Financial Statements in reported values**
3. In October 2001, the Israeli Institute for Israeli Accounting Standards Board published the number 12 Accounting Standard for the “Discontinuance of Adjustment of Financial Statements.” In accordance with this Standard, and according to Accounting Standard number 17, published in December 2002, the adjustment of the Financial Statements for inflation was discontinued as of January 1, 2004. Until December 31, 2003, the Society continued to arrange adjusted reports according to opinion 36 of the Institute of Certified Public Accountants in Israel. The Society implements the Standard’s provisions and therefore, the adjustment was discontinued, as said, as of January 1, 2004.
4. The Association has arranged its Financial Statements in the past based on the historical cost adjusted to the Consumer Price Index. As said, the adjusted amounts, included in the Financial Statements for December 31, 2003, were used as a starting point for the nominal Financial Statement beginning on January 1, 2004. Accruals made during the period were included in the nominal values. Therefore, the basic reports for dates and reporting periods after December 31, 2003, are presented in reported amounts according to accounting standards of the Israeli Accounting Standards Board.
5. The amounts of non-monetary assets do not necessarily represent a realized or economic value, but only the reported amounts of those assets.
6. In Financial Statements, "Cost" means cost of a reported amount.
7. **Reporting Principles**
8. Balances:
9. Non-monetary items (mainly – Fixed assets, inventory, and investments shown by cost) are shown in reported amounts.
10. Financial items are displayed in the balance sheet in the historical nominal values as of the balance date.
11. Reports on activities:
12. Income and expenses deriving from non-monetary items (such as depreciation and amortization, inventory changes, and so on) or any of the contributions included in the balance are derived from the movement between the amount reported in the Opening Balance and the amount reported in the Closing Balance.
13. Other report elements on the activities (such as: sales, purchases, current production costs, etc.) are displayed in nominal values.

**Notes to Financial Statements as at December 31, 2018**

Note 1 – Reporting Rules and Accounting Policy (continued)

1. Using estimates

Preparing Financial Statements in accordance with accepted accounting rules requires management to use estimates and evaluations that affect the reporting amounts of assets and liabilities, and the discovery relating to dependent assets and liabilities, as well as income and expense amounts during the reporting period. It is hereby clarified that actual results may differ from these estimates.

1. Consolidated Financial Statements
2. The consolidated Financial Statements include the Society's Financial Statements and jointly controlled consolidated partnership in the Financial Statements according to the Proportionate Consolidation Method.
3. The consolidated Financial Statements include the relative part of the assets, liabilities, expenses and income of the Consolidated Partnership in a proportionate consolidation based on its retention rates.
4. The Financial Statements of the subsidiary “See the World” – the Society for the Protection of Nature in Israel, Ltd., over which the Society has no actual effective control, are not included in the consolidated reports.
5. Net restricted assets in use
6. Net assets are divided into two groups according to the restriction of their use. The first group – relates to net assets that have a temporary restriction imposed by external entities (mainly donors). The second group contains net assets that were not intended for use by external entities. The second group can distinguish between net assets that were not intended for use for certain purposes and those that over the years were designated by the management for special purposes.

Net assets that are temporarily limited by outside agents –

Include assets, which can be used for the purposes for which they were intended. This is the funding money and donations that are subject to conditions by external factors regarding the use of sums received.

Net Assets designated by the Society –

Include net assets that were not limited in use by external factors but were designated by the Society's management for special purposes.

1. The balances of net assets that have not yet been used for their designated purposes are invested in financial assets (cash, securities, and deposits) jointly held and managed.
2. Cash and Cash Value

Include deposits in banks whose deposit period until their due date, when invested, do not exceed three months.

1. Negotiable Securities

Bonds, stocks and mutual funds are presented by their market value on the balance date.

Revenues from the realization of negotiable securities are intended by the management to finance investment in fixed assets, and therefore investments are presented in long-term investments.

1. Inventory

Inventory is measured as the lower value between its cost and its net realization value. The cost of the inventory is determined by the FIFO method and it includes the costs to purchase the inventory and to bring it into place and its existing state. Net realization value is the estimated sales price during normal business, with deduction of the estimated cost of completion and estimated costs required to carry out the sale.

10. Investing in a Subsidiary and Partnership

The investment includes investment in the share capital and the payments on the capital, with the deduction of contribution for losses.

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| **Notes to Financial Statements as at December 31, 2018** | | | | | | | |
| **Note 1 – Reporting Rules and Accounting Policy (continued)** | | | | | | | |
| **11.** | **Fixed Assets** | | | | | | |
|  | 1. | The Society's fixed assets include buildings, vehicles, equipment, and furniture. | | | | | |
|  | 2. | The Fixed Assets are measured as per cost with deduction of accrued depreciation and losses due to the impairment. | | | | | |
|  | 3. | The Profit and Loss of a decreased Fixed Asset item is determined by comparing the value of the exchange of the decreased property to the book value, and recognized net in the Other Income section of the report on activities. | | | | | |
|  | 4. | Depreciation is attributed to the activity report by the straight-line estimate method across the estimated useful lifespan of any part of the Fixed Asset items. Realty is not amortized. | | | | | |
|  |  | Depreciation rates are as follows: | | | % |  |  |
|  |  | Equipment and furniture | | | 6-33% |  |  |
|  |  | Buildings and facilities | | | 10-4 |  |  |
|  |  | Vehicles | | | 15 |  |  |
| **12.** | **Balance Linked to Foreign Currency or Index** | | | | | | |
|  | 1. | Bank deposits in foreign currency or linked are presented in the balance sheet according to the currency rates for the day of the balance. Index-linked bank deposits are presented according to the index for December or according to the index on the date of the balance, according to the terms of the deposit. | | | | | |
|  | 2. | Details about exchange rates and Consumer Price Index – | | | | | |
|  |  |  | **December 31**  **2018** | **December 31**  **2017** | | Rate of change  **2018** | Rate of change  **2017** |
|  |  | Dollar exchange rates – in New Israeli shekels | **3,748** | 3,467 | | **8.1%** | (9.8%) |
|  |  | Consumer Price Index (December index) in points | **102.09** | 101.28 | | **0.8%** | 0.4% |
| **13.** | **Impairment of assets** | | | | | | |
|  | The Society implements Accounting Standard number 15 – Impairment of assets (hereinafter: “the **Standard**”) A Standard establishes procedures for the Society to implement, so as to ensure that its assets in the consolidated balance (for which the Standard applies), will not be shown in the amount above their recoverable amount, which is the higher between the sale price and its use value (the current value of the estimated future cash flows that are expected to stem from the use of the property and its realization).  The Standard applies to all assets in the consolidated balance except for financial assets (except for financial assets that are investments in investees that are not subsidiaries). Similarly, the Standard also establishes the presentation and discovery rules for assets whose value was impaired. When the value of an asset in the consolidated balance exceeds its recoverable amount, the Society recognizes the loss of value because of impairment at the height of the gap between the asset’s book value of and its recovery amount. A loss that was recognized as said, will be canceled only if there have been any changes to the estimates that were used in determining the recoverable amount of the asset in which loss from the last time the impairment was recognized.  Every year, the Society examines the existence of signs for the depreciation of the assets and, if necessary, implements contributions for the impairment. | | | | | | |

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| **Notes to Financial Statements as at December 31, 2018** | | | | | | |
| **Note 1 – Reporting Rules and Accounting Policy (continued)** | | | | | | |
| **14.** | **Income Recognition** | | | | | |
|  | 1. | Sale of products | | | | |
|  |  | Revenue from the sale of products is registered at the time of sale or by shipment to the customer with the transfer of major risks and rewards attributed to ownership of the products sold. | | | | |
|  | 2. | Income from service | | | | |
|  |  | Revenue from the activities of the Society's departments and the provision of services is attributed relatively proportional to the period of the Agreement or the provision of the service if the likelihood of the flow of economic benefits attributed to the service is certain. | | | | |
| **15.** | **Contribution for doubtful debts** | | | | | |
|  | The Financial Statements include specific contributions of doubtful debts that appropriately reflect, according to management’s assessment, the loss inherent in debts, whose collection is questionable. In determining the adequacy of the contributions by management, inter alia, was based on the risk assessment according to the information that was available to it concerning the financial situation of the Accounts Receivable, the scope of their activity, and the assessment of the collateral received from them. Doubtful debts, which in the opinion of the Society's management are not likely to be collected, are deleted from the Society’s books according to management’s decision. | | | | | |
| **Note 2 – Cash and Cash Value** | | | | | | |
|  | | | Consolidated | | Society | |
| **December 31, 2018** | **December 31, 2017** | **December 31, 2018** | **December 31, 2017** |
| NIS thousands | NIS thousands | NIS thousands | NIS thousands |
| Israeli currency | | | **13,988** | 16,343 | **13,988** | 16,343 |
| Foreign currency | | | **3,457** | 5,878 | **3,457** | 5,818 |
|  | | | **17,445** | 22,221 | **17,445** | 22,221 |
| Cash designation: | | |  |  |  |  |
| Cash designated by Management | | | **2,338** | 3,154 | **2,338** | 3,154 |
| Non-designated cash | | | **15,107** | 19,067 | **15,107** | 19,067 |
|  | | | **17,445** | 22,221 | **17,445** | 22,221 |

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| **Notes to Financial Statements as at December 31, 2018** | | | | |
| **Note 3 – Accounts Receivable** | | | | |
|  | Consolidated | | Society | |
|  | **December 31, 2018** | **December 31, 2017** | **December 31, 2018** | **December 31, 2017** |
|  | NIS thousands | NIS thousands | NIS thousands | NIS thousands |
| Open debts | **25,535** | 23,184 | **22,619** | 19,842 |
| Credit companies | **3,802** | 3,851 | **3,802** | 3,851 |
| Checks for collection | **329** | 550 | **283** | 415 |
| Related Parties | **1,358** | 1,637 | **2,716** | 3,284 |
|  | **31,024** | 29,222 | **29,420** | 27,392 |
| With deduction – Contribution for doubtful debts | **(1,291)** | (1,179) | **(848)** | (729) |
|  | **29,733** | 28,043 | **28,572** | 26,663 |
| **Note 4 – Accounts Receivable and Other Debit Balances** | | | | |
|  | Consolidated | | Society | |
|  | **December 31, 2018** | **December 31, 2017** | **December 31, 2018** | **December 31, 2017** |
|  | NIS thousands | NIS thousands | NIS thousands | NIS thousands |
| Revenues to receive | **566** | 769 | **566** | 503 |
| Prepaid Expenses | **2,148** | 2,060 | **2,143** | 2,046 |
| Vehicle Rental Deposits | **147** | 169 | **147** | 169 |
| Employees | **177** | 188 | **177** | 188 |
|  | **3,038** | 3,186 | **3,033** | 2,906 |
| **Note 5 – Long-term investment** | | | | |
|  |  |  | Consolidated and the Society | |
|  |  |  | **December 31, 2018** | **December 31, 2017** |
|  |  |  | NIS thousands | NIS thousands |
| Conditional investment |  |  | **1,141** | 1,141 |
| With deduction for contribution for impairment of investment |  |  | **(880)** | (880) |
|  |  |  | **261** | 261 |
| In 2000, the Society contracted in a memorandum of intent with Yad La-Shiryon Association (hereinafter: **Yad La-Shiryon**) whose validity was extended from time to time by both parties, by placing a sum of $300 thousand to be used by Yad La-Shiryon to establish an Educational Center in Latrun. It is agreed that if the parties are not signed on a detailed agreement that regulates the cooperation regarding the Educational Center, and the establishment of a bird-watching complex, the sum will be returned, linked to the dollar rate, without interest within a year. The cooperation to operate the Education Center was discontinued in 2006.  The Society’s management estimates that this amount will not be refunded and will be used as a payment for the land at the Yad La-Shiryon site the Society will receive. Due to a significant reduction in the area that the Society was supposed to receive, about 8 dunam (2 acres), instead of about 25 dunam (6.25 acres), a contribution for impairment was entered accordingly.  Regarding the document of agreements between the Society and Yad La-Shiryon, see Note 16(c). | | | | |
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| **Notes to Financial Statements as at December 31, 2018** | | | | |
| **Note 6 – Fixed Assets** | | | | |
| **Consolidated** |  |  |  |  |
|  | Buildings and facilities | Equipment and furniture | Vehicles | Total |
|  | NIS thousands | NIS thousands | NIS thousands | NIS thousands |
| **Cost**  Balance as at January 1, 2018 | 229,787 | 46,634 | 1,155 | 277,576 |
| Accruals | **6,232** | **2,855** | **182** | **9,269** |
| Balance as at December 31, 2018 | **236,019** | **49,489** | **1,337** | **286,845** |
| **Accrued Depreciation**  Balance as at January 1, 2018 | 188,370 | 30,069 | 1,135 | 219,574 |
| Year’s depreciation | **4,056** | **1,418** | **18** | **5,492** |
| Balance as at December 31, 2018 | **192,426** | **31,487** | **1,153** | **225,066** |
| **Depreciated Cost as at December 31, 2018** | **43,593** | **18,002** | **184** | **61,779** |
| Depreciated Cost as at December 31, 2017 | 41,417 | 16,565 | 20 | 58,002 |
| **Society** |  |  |  |  |
|  | Buildings and facilities | Equipment and furniture | Vehicles | Total |
|  | NIS thousands | NIS thousands | NIS thousands | NIS thousands |
| **Cost**  Balance as at January 1, 2018 | 229,655 | 46,199 | 1,155 | 277,009 |
| Accruals | **6,232** | **2,845** | **182** | **9,259** |
| Balance as at December 31, 2018 | **235,887** | **49,044** | **1,337** | **286,268** |
| **Accrued Depreciation**  Balance as at January 1, 2018 | 188,308 | 29,707 | 1,124 | 219,139 |
| Year’s depreciation | **4,045** | **1,397** | **18** | **5,460** |
| Balance as at December 31, 2018 | **192,353** | **31,104** | **1,142** | **224,599** |
| **Depreciated Cost as at December 31, 2018** | **43,534** | **17,940** | **195** | **61,669** |
| Depreciated Cost as at December 31, 2017 | 41,347 | 16,492 | 31 | 57,870 |

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| **Notes to Financial Statements as at December 31, 2018** | | | | |
| **Note 7 – Accounts Payable and Service Providers** | | | | |
|  | Consolidated | | Society | |
|  | **December 31, 2018** | **December 31, 2017** | **December 31, 2018** | **December 31, 2017** |
|  | NIS thousands | NIS thousands | NIS thousands | NIS thousands |
| Open liabilities | **15,226** | 17,594 | **13,524** | 15,914 |
| Checks Payable | **1,669** | 913 | **1,525** | 605 |
|  | **16,895** | 18,507 | **15,049** | 16,519 |
| **Note 8 – Accounts Payable and Other Credit Balances** | | | | |
|  | Consolidated |  | Society |  |
|  | **December 31, 2018** | **December 31, 2017** | **December 31, 2018** | **December 31, 2017** |
|  | NIS thousands | NIS thousands | NIS thousands | NIS thousands |
| Employees | **1,341** | 1,373 | **1,287** | 1,322 |
| Institutions for wages and deductions | **1,953** | 1,861 | **1,872** | 1,849 |
| Contributions for vacation and convalescence pay | **882** | 661 | **857** | 648 |
| Contribution for claims | **3,709** | 3,780 | **3,709** | 3,780 |
| Expenses payable and others | **1,892** | 2,867 | **1,699** | 2,601 |
| Income in Advance | **1,040** | 1,035 | **1,022** | 979 |
| Related company | **2,774** | 2,346 | *–* | – |
| Others | **4** | 17 | **4** | 17 |
|  | **13,595** | 13,940 | **10,450** | 11,196 |
| **Note 9 – Long-term loans** | | | | |
|  | Consolidated |  | Society |  |
|  | **December 31, 2018** | **December 31, 2017** | **December 31, 2018** | **December 31, 2017** |
|  | NIS thousands | NIS thousands | NIS thousands | NIS thousands |
| Owners loans (1) | **1,526** | 1,513 | *–* | – |
| (1) Loans received in the partnership with the Society for the Protection of Nature – Discover the Land, a limited partnership. Loans are not linked but are interest-carrying at 4% annually. | | | | |
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| **Notes to Financial Statements as at December 31, 2018** | | | | | |
| **Note 10 – Liability for termination of employee-employer relationships, Net** | | | | | |
| **A.** | **Composition** |  |  |  |  |
|  | Consolidated | | Society | |
|  | **December 31, 2018** | **December 31, 2017** | **December 31, 2018** | **December 31, 2017** |
|  | NIS thousands | NIS thousands | NIS thousands | NIS thousands |
| Retirement and layoff compensation liabilities |  |  |  |  |
|  | **5,494** | 5,296 | **5,316** | 5,118 |
| Deduction for designation | **(1,825)** | (1,963) | **(1,699)** | (1,867) |
|  | **3,669** | 3,333 | **3,617** | 3,251 |
| **B.** | The association's commitment to paying severance pay to its employees is largely covered by ongoing deposits in the workers’ name in known compensation funds, and/or by purchasing policies from an insurance company under Article 14 of the Severance Pay Law, 5723 - 1963. The amounts deposited as aforesaid are not under the Society’s control and management, and therefore are not given to them and the liabilities for which they were deposited are not expressed in the balance.  The commitment due to the termination of employee-employer relationship included in the balance represents the remainder of the liability that is not covered by deposits and/or insurance policies as said above. For this part of the liability, there is a designation that is deposited in the Society’s name in a known compensation fund. The designation in the compensation fund includes linkage differentials and interest accrued and deposited with the insurance companies. The withdrawal of the designated funds is dependent on fulfilling the provisions as listed the Severance Pay Law.  In addition, the employees have rights to obtain an adaptation grant upon retirement: The liability in the balance covers the Society’s full liability to pay the adjustment grants. | | | | |
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| **Note 11 – Investing in a Subsidiary and Held Partnership** | | | | | |
|  | | | | Society |  |
|  | | | | For year that ended on December 31 | |
|  | | | | **December 31, 2018** | **December 31, 2017** |
|  |  | | | NIS thousands | NIS thousands |
| **Composition** | | | |  |  |
| **“See the World” – The Society for the Protection of Nature in Israel, Ltd.** (1) Investment in stocks (86% of the share capital the issued and paid) | | | |  |  |
| **1** | 1 |
| Part of the Society’s accrued profits from date of purchase | | | | – | – |
|  | | | | **1** | 1 |
| **Society for the Protection of Nature – Discover the Land, limited partnership (2)** | | | |  |  |
| Investment (50%) | | | | **1** | 1 |
| Part of the Society’s accrued profits from date of purchase | | | | **(6,425)** | (6,270) |
|  |  | | | **(6,424)** | (6,269) |
|  |  | | | **(6,423)** | (6,268) |
| 1. | “See the World” – The Society for the Protection of Nature in Israel, Ltd. was established in 2002 and engages in organizing and providing services for trips abroad. The Society holds 86% of the share capital.  The Society's Financial Statements are not consolidated within these financial reports. See Note 1 E(3). | | | | |
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| 2. | The Society for the Protection of Nature – Discover the Land, a limited partnership, was established in 2005, and is engaged in marketing, organization and providing services in educational hiking, mainly for the [State] education system. The Society holds 50% of the partnership’s capital.  As it emerges from the Financial Statements, the partnership ended its year’s activity with a loss of about NIS 303 thousands. The partnerships have an Equity Capital deficit as at December 31, 2018, for the sum of NIS 12.8 million and a deficit in the circulating capital of approximately NIS 9.9 million. The partnership management is of the opinion that in light of the partner's notice on support of the partnership, especially in the way of termination of Management fee payments and a reduction in participation in costs, placing owners’ loans for the years 2010 and 2012, as well as the providing owner guarantees to the banks, the partnership can continue to operate as a "live business."  Another company, Nature Lines, Ltd., was founded in 2005 and serves as the general partner that manages the Society for the Protection of Nature – Discovering the Land, a limited partnership. The Society holds 50% of the share capital and the right to 4 directors. | | | | |
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| **Notes to Financial Statements as at December 31, 2018** | | | | |
| **Note 12 – Net assets designated by the Society** | | | | |
|  | | | Association and consolidated | |
|  | | | **December 31, 2018** | **December 31, 2017** |
| NIS thousands | NIS thousands |
| Assets designated for implementing a strategic expansion program | | |  |  |
| The Society's activities | | | **6,508** | 7,860 |
| Assets designated to upgrade the Society’s information system | | | **1,722** | 2,000 |
| Assets designated for renovation of field schools and fixed assets | | | **28,091** | 32,000 |
|  | | | **36,321** | 41,860 |
| Designated securities and cash | | |  |  |
| Cash | | | **2,338** | 3,154 |
| Negotiable Securities | | | **33,983** | 38,706 |
|  | | | **36,321** | 41,860 |
| **Note 13 – Other Current Expenses** | | | | |
|  | Consolidated | | Society | |
|  | For year that ended on December 31 | | For year that ended on December 31 | |
|  | **December 31, 2018** | **December 31, 2017** | **December 31, 2018** | **December 31, 2017** |
|  | NIS thousands | NIS thousands | NIS thousands | NIS thousands |
| Vehicle reimbursement | **5,058** | 4,855 | **4,950** | 4,732 |
| Office, Communications and computing | **4,378** | 4,302 | **4,378** | 4,302 |
| Taxes, rentals and insurance | **5,243** | 5,409 | **5,215** | 5,391 |
| Maintenance and resupplying | **5,385** | 6,169 | **5,385** | 6,169 |
| Electricity, water and energy | **3,627** | 3,822 | **3,627** | 3,822 |
| Protection, security and cleaning | **2,703** | 2,709 | **2,703** | 2,709 |
| Crew maintenance | **2,070** | 1,943 | **2,070** | 1,943 |
| Professional services | **3,563** | 4,019 | **3,563** | 4,019 |
| Advertising, marketing and information | **2,749** | 3,059 | **2,568** | 2,862 |
| Bad and doubtful debts | **201** | 57 | **207** | 7 |
| Depreciation and amortization | **5,442** | 5,466 | **5,442** | 5,466 |
|  | **40,419** | 41,810 | **40,108** | 41,422 |
| **Note 14 – General and Administrative Expenses** | | | | |
|  | Consolidated | | Society | |
|  | For year that ended on December 31 | | For year that ended on December 31 | |
|  | **December 31, 2018** | **December 31, 2017** | **December 31, 2018** | **December 31, 2017** |
|  | NIS thousands | NIS thousands | NIS thousands | NIS thousands |
| Salaries and accompanying expenses | **6,911** | 6,839 | **6,528** | 6,389 |
| Professional services | **1,016** | 997 | **972** | 886 |
| Office and communications | **871** | 860 | **794** | 774 |
| Taxes and rentals | **610** | 585 | **610** | 585 |
| Vehicle reimbursement | **199** | 225 | **162** | 186 |
| Maintenance, electricity and cleaning | **295** | 296 | **295** | 295 |
| Depreciation and amortization | **50** | 76 | **18** | 35 |
|  | **9,952** | 9,878 | **9,379** | 9,150 |

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| **Notes to Financial Statements as at December 31, 2018** | | | | | | |
| **Note 15 – Financing Income (Expenses)** | | | | | | |
|  | | | Consolidated | | Society | |
| For year that ended on December 31 | | For year that ended on December 31 | |
| **December 31, 2018** | **December 31, 2017** | **December 31, 2018** | **December 31, 2017** |
| NIS thousands | NIS thousands | NIS thousands | NIS thousands |
| Exchange and revaluation differences | | | **(861)** | (690) | **(861)** | (690) |
| Profit (loss) from securities | | | **(495)** | 1, 210 | **(495)** | 1,210 |
| Bank credit card commissions | | | **(728)** | (514) | **(500)** | (351) |
| Interest income | | | **177** | 138 | **177** | 138 |
|  | | | **(1,907)** | 144 | **(1,679)** | 307 |
| **Note 16 – Lawsuits, pending liabilities and commitments** | | | | | | |
| **A.** | Various claims were submitted by hikers against the Society for bodily injury and other damages. The Society’s maximum amount of exposure for these claims is the deductible, and amounts to NIS 3.7 million (previous year – NIS 3.8 million). | | | | | |
| B. | The Har Gilo Field School is partly located on Russian Church land and partly on Greek Church land. Many years ago, an agreement between the State and the Russian Church was achieved; the State paid a total of NIS 2.7 million for the Russian Church’s legal claim.  In January 2014, an agreement was signed between the Society and the Greek Church that regulated the debit for the years 2010 to 2027 in exchange for the sum of the NIS 6.78 million. Of this amount, a sum of about NIS 5.4 million has been paid so far. Of this amount the sum of about NIS 1.6 million, is included in these Financial Statements in the section on Long-Term Liabilities. | | | | | |
| **C.** | On December 1, 2010, a document was signed between the Society and Yad La-Shiryon in Latrun regarding the establishment of the International Center for the Study of Bird Migration. According to the document, the Center will be built on an area allocated for this purpose within the Yad La-Shiryon site. The construction of the Center and its operation and maintenance will be the responsibility of Yad La-Shiryon. The Society will undertake the Center’s guiding and content. | | | | | |
|  | Donations received for this purpose, which are included in these Financial Statements under Net Assets, which are temporarily restricted by external agents, are used to operate the Society in accordance with the donors’ approval. | | | | | |
| **D.** | The Society is linked to a number of lease agreements for sites and field schools in which the Society operates, as well as a number of operational leasing agreements for about 70 vehicles in its use. These agreements are periodically renewed. | | | | | |
| **Note 17 – Liens and Guarantees** | | | | | | |
| **A.** | **The following are the list of liens on the Society's assets:** | | | | | |
| 1. | Lien and assignment of rights to Israel Discount Bank, Ltd. on Israeli for foreign currency deposits and funds and the rights to funds that come to the Society via credit cards from Israel Ltd. (C.A.L.) under an agreement signed in 1985 between the Society and C.A.L. | | | | |
| 2. | A fixed lien and assignment of right in favor of Bank Hapoalim, Ltd. on all funds, rights and payments coming to the Society from Isracard, Ltd. | | | | |
| 3. | A first priority fixed lien for the an unlimited amount of money in favor of Bank Hapoalim on foreign currency deposits in the Society’s account at the bank's central branch. | | | | |
|  | 4. | A first priority fixed lien and assignment of right in favor of the Israel Discount Bank, Ltd. on funds and deposits in the Society’s account at the bank's HaGra branch and/or any related account. | | | | |
|  | 5. | Liens in favor of Bezeq Communications, Ltd. for telephone exchanges. | | | | |

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| **Notes to Financial Statements as at December 31, 2018** | | | | |
| **Note 17 – Liens and Guarantees (continued)** | | | | |
| **B.** | **The following are the guarantees that the Society has been given:** | | | |
| 1. | Bank guarantees for the benefit of various bodies in the amount of NIS 1,362 thousands. | | |
| 2. | The Society signed a limited bond in the amount of NIS 1,250 thousands in favor of the Israel Discount Bank, Ltd., whereby the Society is a guarantor for the bank account of the Society for the Protection of Nature – Discover the Land, a limited partnership. The balance of the partnership's commitment to the bank on the date of the Financial Statement totals a sum of NIS 3,465 thousands. | | |
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| **Note 18 – Income from Government Ministries** | | | | |
| Income from government ministries are accepted as contributions, and subsidies and are included in the report on the activities and the report on the changes in net assets according to their designation. | | | | |
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|  | | | For a year that ended on December 31 | |
| **2018** | **2017** |
| NIS thousands | NIS thousands |
| Ministry of Education | | | **36,754** | 39,808 |
| Ministry of Defense and Internal Security | | | **8,610** | 8,163 |
| Office of the Prime Minister | | | **2,376** | – |
| Ministry of Environmental Protection | | | **222** | 414 |
| Other ministries | | | **825** | 552 |
| Total | | | **48,787** | 48,937 |