SAVE A CHILD'S HEART IN MEMORY OF DR. AMI COHEN
(Registered Association)

Financial Statements as of December 31 2023



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(Registered Association)

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Auditor's Report to To the members of Save a Child's Heart in Memory of Dr. Ami Cohen (Registered Association)

We have audited the accompanying Statements of financial position of Save a Child's Heart in Memory of Dr. Ami Cohen (a Registered Association) (hereinafter - "the Society") as of December 31 2023 and the related statements of activities, statements of changes in net assets, and statements of cash flows for the year then ended. These financial statements are the responsibility of the executive committee and management of the Society. Our responsibility is to express an opinion on these financial statements based on our audits.

The financial statements of the Society as of December 31, 2022, were audited by other auditors whose report dated June 29, 2023, expressed an unqualified opinion on those statements.

We conducted our audits in accordance with generally accepted auditing standards in Israel, including those prescribed under the Israeli Auditors Regulations (Auditor's Mode of Performance), 1973. Such standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of any 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 presentation of the financial statement. We believe that our audit provides a fair basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Society as of December 31 2023, the results of its activities, changes in net assets, and cash flows for the year then ended in accordance with generally accepted accounting principles in Israel (Israeli GAAP).

Ziv Haft

Certified Public Accountants
(Isr.)

Bney Brak, June 27 2024

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Save a Child's Heart in Memory of Dr. Ami Cohen

Statements of financial Position (in NIS)

		As at December 31,	
		2023	2022
Current Assets:			
Cash and cash equivalents		11,154,761	23,057,565
Short term investments		16,487,235	-
Other receivables		162,538	120,555
		27,804,534	23,178,120
Fixed Assets, Net	3	7,354,411	7,808,586
		35,158,945	30,986,706
Current Liabilities:			
Payables for equipping Wolfson Medical Center		3,250,833	600,686
Suppliers		376,707	352,867
Accrued expenses and other current liabilities	4	750,621	1,075,444
Payables – Wolfson Medical Center		50,560	90,498
Payables – Wolfson Research Fund		222,351	252,613
		4,651,072	2,372,108
Long-Term liabilities:			
Employee benefit liabilities, net	5	834,148	828,435
Total liabilities		5,485,220	3,200,543
Net Assets:			
Unrestricted Net Assets:			
For use in activities not designated by management		6,570,784	6,536,578
For use in activities designated by management	6A	10,000,000	10,000,000
Invested in fixed assets		7,354,411	7,808,585
		23,925,195	24,345,163
Restricted net assets	6B	5,748,530	3,441,000
		29,673,725	27,786,163
		35,158,945	30,986,706

The attached notes form an integral part of the financial statements.

June 27 2024			
Date of approval	Yoram Cohen Chairman of the Committee	Yoram Benita Treasurer and Member of the Committee	Simon Fisher Chief Executive Officer

Save a Child's Heart in Memory of Dr. Ami Cohen

Statements of Activities (in NIS)

		Year ended December 31,	
		2023	2022
Income:			
Revenues from donations		19,310,486	15,589,262
Emergency Campaigns - Iron Swords War		9,517,481	-
Transfers from restricted net assets	6	3,441,000	4,450,045
Revenues for equipping the Children's Hospital at Wolfson	7	1,178,121	4,667,897
Supports		183,993	-
Other operating revenues		126,971	100,103
Revenues received by others for the project of establishing a Children's Hospital at Wolfson	7	-	1,699,561
Revenues from the Estates Committee - the general guardian		-	500,000
		33,758,052	27,006,868
Cost of Activities:			
Operating expenses	8	18,413,815	15,216,263
Emergency operations		9,322,162	-
Expenses for equipping the Children's Hospital at Wolfson	7	2,567,853	4,150,671
Expenses for the construction's Children's Hospital at Wolfson	7	-	1,847,654
		30,303,830	21,214,588
Operating income, net		3,454,222	5,792,280
Administrative and general expenses	9	2,431,459	2,513,493
Advertising and public relations expenses	10	955,908	1,097,907
Net income before financing		66,855	2,180,880
Financing income (expenses)	11	(486,823)	1,075,253
Net income (expenses) for the year		(419,968)	3,256,133

The attached notes form an integral part of the financial statements.

Save a Child's Heart in Memory of Dr. Ami Cohen

Statements of Changes in Net Assets (in NIS)

	Unrestricted net assets for use in activities			Restricted	
	Not designated by management	Designated by management	Invested in fixed assets	net assets (see note 6)	Total
Balance as of January 1 2022	12,859,269	-	8,229,761	4,450,045	25,539,075
Changes during the year 2022:					
Net income for the year	3,256,133	-	-	-	3,256,133
Participation in activities	-	-	-	3,441,000	3,441,000
Amounts released from restrictions	-	-	-	(4,450,045)	(4,450,045)
Amounts designated by management	(10,000,000)	10,000,000	-	-	-
Invested in fixed assets	(82,559)	-	82,559	-	-
Amounts transferred to cover depreciation	503,735	-	(503,735)	-	-
	6,536,578	10,000,000	7,808,585	3,441,000	27,786,163
Changes during the year 2023:					
Net expenses for the year	(419,968)	-	-	-	(419,968)
Participation in activities	-	-	-	3,874,000	3,874,000
Donations to emergency operations	-	-	-	1,500,000	1,500,000
Other restricted donations	-	-	-	374,530	374,530
Amounts released from restrictions	-	-	-	(3,441,000)	(3,441,000)
Invested in fixed assets	(57,159)	-	57,159	-	-
Amounts transferred to cover depreciation	511,333	-	(511,333)	-	-
	6,570,784	10,000,000	7,354,411	5,748,530	29,673,725

The attached notes form an integral part of the financial statements.

Save a Child's Heart in Memory of Dr. Ami Cohen
Notes to the Financial Statements (in NIS)

Note 1 - General

A. Save a Child's Heart in Memory of Dr. Ami Cohen (a Registered Association) (hereinafter - "the Association") is a non-profit organization that works to achieve its public goals, which are to work to promote medical institutions to allow them to treat congenital heart problems of needy children in the world, subject to receiving appropriate certifications. Medical treatment is provided by qualified professionals in accordance with the law.

B. The Association operates in cooperation with the Wolfson Medical Center in Holon and organizes emergency heart operations and post-operative care for children from third world countries and from developing countries.

The Association operates a children's home in Holon. The home is used as a recuperation center for children before and after operations and it hosts doctors and nurses who are participation in the Association's training programs.

As part of the Association's activities, it leads medical delegations to developing counties, both diagnostic delegations, which conduct pre-surgery examination clinics and provide ongoing post-operative care as well as delegations, which perform operations, catheterization procedures and conduct training for local medical teams, in addition to diagnosing children.

The medial teams volunteer their time when participating in these delegations, which they do without any consideration whatsoever from the Association for this activity.

C. The Association was registered according to the Law of Associations, 1980 on August 18, 1998 and began its activities on April 1, 1999.

D. The Association's net assets cannot be distributed to its members.

E. The Association operates as a "public institution" in accordance with Section 9(2) of the Income Tax Ordinance and as a non-profit for the purposes of the Value Added Tax Law.

F. The Association has received certification from the Commissioner of Income Tax as a public institution for the purpose of donations, pursuant to Section 46 of the Income Tax Ordinance. The approval is valid until December 31, 2024.

G. In the year of the report, the Association received donations from a foreign political entity in the amount of 145,275 NIS.

Save a Child's Heart in Memory of Dr. Ami Cohen
Notes to the Financial Statements (in NIS)

Note 2 - Significant Accounting Policies

The principles of the accounting policy, which were applied in the preparation of the financial statements, in a consistent manner are as follows:

A. Application of accounting rules:

The financial statements are prepared in accordance with the rules of accounting and financial reporting established in Accounting Standard No. 40 of the Accounting Standardization Institute, which replaces Opinion No. 69 of the Chamber of Certified Public Accountants in Israel and Accounting Standard No. 5 of the Israeli Accounting Standardization Institute that dealt with accounting and financial reporting rules by non-profits .

B. The presentation format of the financial statements:

The balances included in the net assets group are sorted by distinguishing between:

- Unrestricted net assets
- Restricted net assets

The Unrestricted net assets for use in activities are presented distinguishing between:

- Net assets not designated by management
- Net assets designated by management
- Net assets invested in fixed assets

C. The historical cost convention:

The financial statements are prepared based on the historical cost convention. These reports do not express the effect of the changes in the general purchasing power of the Israeli currency on the business results.

D. Cash and cash equivalents:

Cash and cash equivalents include short-term deposits in banks whose redemption period, at the time of investment, did not exceed three months.

E. Fixed assets:

The fixed assets are presented on the basis of cost less accumulated depreciation. Depreciation is calculated according to the straight-line method at annual rates considered sufficient for depreciation throughout the life of the asset, as follows:

Structure 10% - 4%

Computers and peripherals 33% - 15%

Vehicles 15%

Furnitureand equipment 15% - 10%

Note 2 - Significant Accounting Policies (Cont.)

F. Exchange rates and the linkage basis:

1. Assets and liabilities in foreign currency, or attached to it, are included in the financial statements according to the representative rates published by the Bank of Israel as of the balance sheet date.
2. Assets and liabilities linked to the consumer price index are included based on the appropriate index for each linked asset or liability.
3. Below are data on the consumer price index (points) and the exchange rate of the US dollar:

Year ended December 31 2022	Year ended December 31 2023	
%	%	
5.28	3.34	Rate of increase of the CPI
13.15	3.07	Rate of increase of the US dollar

as of December 31 2022	as of December 31 2023	
101.7	105.1	CPI (in points)
3.519	3.627	Representative exchange rate of US dollar (in NIS)

G. Services received free of charge (in kind):

Services that require professional skill and expertise and products that, if not received, the association would have been forced to purchase, that have substantial financial value on an overall basis in relation to the scope of the association's activities and whose fair value can be estimated with a reasonable level of reliability, are recorded on the basis of fair value in accordance with the rules of accounting standard number 40, both as revenues and as costs in the report on the activities, as income and expenses in kind.

The financial statements included income and expenses in kind for equipment received amounting to NIS 49, last year NIS 185.

H. Using estimates:

When preparing financial statements, their editing and presentation in accordance with the acceptable accounting rules, the management is required to prepare estimates and make assumptions that affect the that presented in the financial statements and accompanying notes. By the very nature of estimates and assumptions, actual results may differ from them.

Note 3 - Fixed assets

	Leased land	Building	Computers and peripheral equipment	Motor vehicles	furniture and equipment	Medical equipment	Total
Cost:							
As of January 1 2023	1,352,105	10,906,305	366,386	138,412	268,114	289,241	13,320,563
Additions during the year	-	-	20,991	-	36,167	-	57,158
As of December 31 2023	1,352,105	10,906,305	387,377	138,412	304,281	289,241	13,377,721
Accumulated Depreciation:							
As of January 1 2023	-	4,656,306	322,558	83,540	160,332	289,241	5,511,977
Additions during the year	-	444,599	27,227	20,761	18,746	-	511,333
As of December 31 2023	-	5,100,905	349,785	104,301	179,078	289,241	6,023,310
Fixed Assets, Net as of December 31 2023	1,352,105	5,805,400	37,592	34,111	125,203	-	7,354,411
Fixed Assets, Net as of December 31 2022	1,352,105	6,249,998	43,832	54,872	107,779	-	7,808,586

Note 4 - Accrued expenses and other current liabilities

	As at December 31,	
	2023	2022
Employees and institutions	375,394	486,971
Provision for vacation and convalescence	286,894	258,413
Accrued expenses	88,333	330,060
	750,621	1,075,444

Note 5 - Employee benefit liabilities, net

Pursuant to the labor laws and the labor agreements that are in force, the Association is required to pay severance pay to employees who are dismissed or who resign from their work in certain other circumstances. The Association's liability for the termination of employee-employer relationships for its employees, which is calculated based on the number of years of services and in accordance with the salary components, which, in management's opinion, entitle the employees to receive severance pay, is covered for the most part by the purchase of policies in insurance companies and/or a pension fund. The amount of the liability for severance pays, which is recorded in the balance sheets, expresses the balance of the liability that is not covered by the insurance policies and/or the pension fund.

Save a Child's Heart in Memory of Dr. Ami Cohen
Notes to the Financial Statements (in NIS)

Note 6 - Net Assets

Net assets

A. Unrestricted net assets for use in activities

The management decided to designate out of the assets for which there is no restriction the following amounts according to the designation as follows:

2023	New Israeli Shekels
A fund to increase activity according to a strategic plan	3,000,000
A fund to establish a training and simulation center	3,000,000
Fund for renovation and renewal of the children's home	1,000,000
Fund for the establishment of an additional children's home	3,000,000
Total	10,000,000

B. Restricted net assets

Grants for the establishment of the children's hospital at the Wolfson Medical Center:

In the years 2017 – 2022, the amounts of 109,435 NIS, 750,860 NIS, 2,924,189 NIS, 2,801,761 NIS ,175,000 NIS and 1,298,045 NIS respectively, were released in support of the establishment of the Children's Hospital at the Wolfson Medical Center.

Other grants for which there is a restriction:

- Projects related to activity on the African continent - In the years 2022 and 2023, donations totaling 3,441,000 NIS and 3,874,000 NIS were received respectively, and 3,152,000 and 3,441,000 NIS were released respectively.See also note 13.

- Projects for emergency operations in connection with the Iron Swords War - In the reporting year, an unspent donation totaling NIS 1,500,000 was received.

- Other donations that have not yet been realized in the amount of 374,530 NIS for the purchase of an ultrasound.

Note 7 - Construction of a children's hospital at the initiative of the association:

As part of an agreement with the Ministry of Health, the association undertook to participate in the financing of the project to establish a children's hospital at the Wolfson Medical Center in the amount of NIS 83.4 million, according to the distribution below:

Planning and construction in the amount of NIS 34.6 million.

Equipment in the amount of NIS 48.8 million.

Construction began in June 2016 and ended at the end of 2021.

In August 2022, the association paid a total of NIS 112,165 to the Ministry of Health, thereby fulfilling all its obligations regarding the project.

Beyond the agreement with the Ministry of Health, the association has so far financed an additional 11.2 million NIS for equipping the children's hospital in Wolfson.

Grants raised by the association and received directly from the Ministry of Health

In 2022, grants totaling NIS 1,699,561 were received from the CLRC Legacy Foundation, Inc. directly to the Ministry of Health.

Note 8 - Operating expenses

	Year ended December 31,	
	2023	**2022**
Salaries and social benefits	2,482,802	2,037,082
Medical expenses	10,262,054	8,492,534
Training for doctors and medical teams	1,618,593	1,002,971
Flights for patients	1,454,948	1,111,546
Overseas medical delegations	615,500	916,394
Transportation of patients	415,785	382,544
Food for patients	365,731	383,821
Equipping of centers of excellence abroad	285,889	-
Municipal taxes and electricity	191,067	177,689
Maintenance of the children's home and a vehicle	123,486	178,010
Insurance	94,390	55,426
Student activities	39,870	21,885
Surveys and research expenses	3,500	3,000
Depreciation	460,200	453,361
	18,413,815	15,216,263

Note 9 - Administrative and general expenses

	Year ended December 31,	
	2023	2022
Salaries and social benefits	1,757,500	1,995,207
Bookkeeping	154,058	123,896
Legal, audit and professional fees	153,528	63,238
Motor vehicle expenses	107,638	88,658
Office expenses and supplies and printing	59,059	67,412
Other expenses	61,844	53,896
Communications	34,832	26,713
Municipal taxes, electricity and insurance	32,145	26,170
Travelling, hosting, refreshments and gifts	19,722	17,929
Depreciation	51,133	50,374
	2,431,459	2,513,493

Note 10 - Advertising and public relations expenses

	Year ended December 31,	
	2023	2022
Salaries and social benefits	550,613	544,464
Advertising and public relations	148,641	358,350
Travelling	156,352	32,868
Marketing campaigns	56,070	115,495
Events	42,588	32,924
Website	1,644	13,806
	955,908	1,097,907

Note 11 - Financing Income, Net

	Year ended December 31,	
	2023	2022
Bank fees and other	(31,653)	(24,261)
Exchange rate differences	(433,243)	1,099,514
Loss from securities - financial trust funds	(315,266)	-
Income from deposits	293,339	-
	(486,823)	1,075,253

Note 12 - Agreement with UIAC the United Israel Appeal in Canada

Agreement with UIAC the United Israel Appeal in Canada

On May 20, 2020, an agreement was signed with UAIC – the United Israel Appeal in Canada, pursuant to which the UAIC will donate an amount of 8 million Dollars over a period of 5 years for projects that are managed by the Association:, financing the purchase of equipment for the new Children's Hospital at the Wolfson Medical Center, medical procedures for children, medical delegations and training for doctors. The agreement places a duty on the Association to provide reports to the UIAC on the progress of the projects, as set forth in the agreement. The agreement may be cancelled by either of the parties, with notification being given three months in advance. In the event of the cancellation of the agreement, funds received and not yet spent, will be repaid to the UIAC.

In the years 2021-2023, amounts of NIS 241 thousand and NIS 338 thousand and NIS 1,087 thousand respectively were received for the training of doctors from abroad and child care and were recorded in the income from donations section.

In addition, in the years 2021-2022, amounts of 6,318 thousand NIS and 1,258 thousand NIS were received, respectively, for the purchase of equipment for the new children's hospital in Wolfson and were recorded in the revenue section for equipping the children's hospital in Wolfson.

Save a Child's Heart in Memory of Dr. Ami Cohen
Notes to the Financial Statements (in NIS)

Note 13 - Agreement with a Philanthropic Foundation

On December 15, 2021, an agreement was signed with a philanthropic foundation according to which the foundation will donate a total of 5 million dollars over 5 years to projects managed by the association related to Africa starting in January 2022.

Each year the foundation will contribute a total of 1 million dollars for the activity. The first payment was received at the end of December 2021 and recorded in the report on the changes in net assets in the section of assets for which there is a restriction and which was released in 2022. Similarly conduct continued in 2022 and 2023.

The agreement imposes on the association the obligation to provide reports on the progress of the projects every year as specified in the agreement. These reports were sent to the fund. The foundation may cancel the agreement if the association has violated the terms of the agreement and has not corrected the violation within 30 days of receiving a written notification from the foundation. In this case, the fund may stop the payments and/or ask for their part to be returned.

Note 14 - Agreement with the Ministry of Health of the Ivory Coast:

On November 25, 2022, the Association signed an agreement with the Ministry of Health of the Ivory Coast, according to which the Association together with the Menomdin Foundation, Mitrali Cote d'Ivoire and Promedic will work to promote the field of pediatric heart surgery at the Heart Center of the Ivory Coast through the treatment of children with heart disease in Israel and the Ivory Coast and the training of medical teams in the Ivory Coast through medical delegations and medical training in Israel.

The agreement is for a period of 5 years, the scope of activity is 840,000 EUR per year with the Ministry of Health of the Ivory Coast bearing half of the costs and the Association and its partners jointly bearing half of the costs.

Save a Child's Heart in Memory of Dr. Ami Cohen
Notes to the Financial Statements (in NIS)

Note 15 - Agreement with the Ted Arison Family Foundation:

At the beginning of 2023, an agreement was signed between the Arison Foundation, the Association, Wolfson Hospital and the Ministry of Health. According to it, the foundation will contribute a total of 10 million dollars to establish an emergency medicine center for children in the Wolfson Medical Center complex. As a part of the agreement, there is a commitment by Wolfson Hospital to continue providing the Association the same services while maintaining the same conditions of cooperation that exist today for 10 years from the day of the center's operation and subject to the best of Wolfson Hospital's ability in accordance with the law and regulations that obligate it as a government hospital.

Note 16 - Events during the reporting period:

On October 7, 2023, a surprise attack by a terrorist organization in the Gaza Strip began on the State of Israel, which led to the start of the "Iron Swords" war, which is still ongoing as of the publication date of this report (hereinafter: "the war"). Following the war, the Association's activity was immediately affected on various levels:

- Palestinian children stopped coming (from the West Bank and Gaza).
- A number of doctors from Africa who were in training at Wolfson Hospital have returned to their homeland.
- There is a difficulty in flying patients from abroad.

Also, and as a part of the Association's participation in the war effort, the Association's management, in accordance with the instructions of the Registrar of Associations, decided to direct resources for emergency procurement to Wolfson Hospital. As a result, the Association was able to raise additional funds in the amount of approximately 11 million NIS, and purchase emergency equipment needed for Wolfson Hospital.

In addition to this, the Association anticipates various consequences that will affect the Association in the years to come:

- A challenge to bring and fly children from abroad.
- A change in the mix of patients is required.
- Logistical preparation is required due to the change in the mix of patients.
- The change in the mix and the logistical preparation involve additional expenses.

As of the time the financial statements were compiled, no substantial change was found in the scope of fundraising for 2024. At the same time, considering the prevailing uncertainty, it is difficult to estimate the scope of fundraising in 2025.