

BATSHEVA DANCE COMPANY (REGISTERED NGO)

FINANCIAL STATEMENTS AS OF DECEMBER 31, 2020

BATSHEVA DANCE COMPANY (REGISTERED NGO)

FINANCIAL STATEMENTS AS OF DECEMBER 31, 2020

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**INDEPENDENT AUDITORS' REPORT TO THE
MEMBERS OF THE BATSHEVA DANCE COMPANY (REGISTERED NGO)**

We have audited the accompanying balance sheets of The Batsheva Dance Company (Registered NGO) (hereafter- the NGO) as of December 31, 2020 and 2019, and the statements of activities, the statements of changes in net assets and the statements of cash flows for each of the years ended on those dates. These financial statements are the responsibility of the NGO's Management Board. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion in all material respects, the financial position of the NGO as of December 31, 2020 and 2019, and the results of its activities, changes in net assets and cash flows for each of the years ended on those dates, in conformity with generally accepted accounting principles in Israel (Israeli GAAP).


Brightman Almagor Zohar & Co.
Certified Public Accountants
A Firm in the Deloitte Global Network

Tel Aviv, Israel, June 24th 2021

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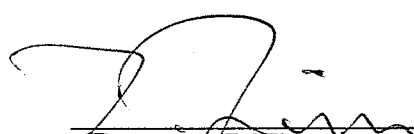
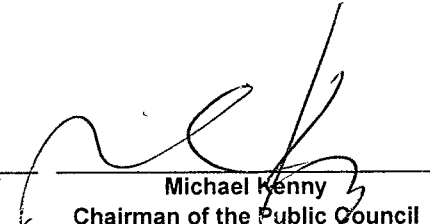

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BATSHEVA DANCE COMPANY (REGISTERED NGO)

BALANCE SHEETS

| | Note | December 31, | |
|--|--------|-------------------|-------------------|
| | | 2020 | 2019 |
| | | NIS | NIS |
| <u>Current assets</u> | | | |
| Cash and cash equivalents | 3 | 8,121,685 | 6,759,501 |
| Trade receivables | 4 | 56,138 | 1,995,414 |
| Other current assets | 5 | 183,144 | 170,571 |
| | | <u>8,360,967</u> | <u>8,925,486</u> |
| Long term prepaid | 19b(2) | 10,090,257 | 8,082,503 |
| <u>Fixed assets, depreciated cost</u> | € | <u>2,042,276</u> | <u>2,612,964</u> |
| | | <u>20,493,500</u> | <u>19,620,953</u> |
| | | | |
| <u>Current liabilities</u> | | | |
| Trade payables | 7 | 262,715 | 249,525 |
| Other current liabilities | 8 | 4,203,097 | 3,943,572 |
| | | <u>4,465,812</u> | <u>4,193,097</u> |
| | | | |
| <u>Long term liabilities</u> | | | |
| Provision for employees rights upon retirement, net | 9 | 191,718 | 149,028 |
| <u>Provisions, contingent liability, commitments and guarantees</u> | 18 | <u>1,378,550</u> | <u>1,435,000</u> |
| | | | |
| <u>Net assets</u> | | | |
| <u>Unrestricted net assets:</u> | | | |
| Deficiency from net assets for use for activities not designated by the institutions of the non-profit | | (81,918) | (254,054) |
| Net assets for use in activities designated by the institutions of the non-profit | | 2,322,256 | 2,314,502 |
| Net assets used for fixed assets | | 2,042,276 | 2,612,964 |
| <u>Net assets restricted for use in activities:</u> | | <u>10,174,806</u> | <u>9,170,416</u> |
| | | <u>14,457,420</u> | <u>13,843,828</u> |
| | | <u>20,493,500</u> | <u>19,620,953</u> |

| | | |
|--|--|--|
|  Zvi Ziv Chairman of the Board of Directors |  Michael Kenny Chairman of the Public Council |  Dina Aldor CEO |
|--|--|--|

Date of approval of financial statements: June 24th, 2021

The accompanying notes to the financial statements are an integral part of them.

BATSHEVA DANCE COMPANY (REGISTERED NGO)
STATEMENTS OF ACTIVITIES

| | Note | For the year ended December 31 | |
|---|-------|-----------------------------------|-------------------|
| | | 2020 | 2019 |
| | | NIS | NIS |
| Operational volume: | | | |
| Revenues from operations | 10 | 3,434,821 | 10,326,651 |
| Revenues from appropriations | 11 | 7,382,842 | 7,259,092 |
| Revenues from contributions | 12 | 2,911,168 | 5,525,994 |
| Amounts released from temporary restricted net assets | 12(c) | 129,500 | 120,000 |
| | | <u>13,858,331</u> | <u>23,231,737</u> |
| | | | |
| Dance School Activity | | | |
| Dance school revenues | 13(a) | 345,440 | 166,795 |
| Dance school expenses | 13(b) | 324,086 | 155,313 |
| | | <u>21,354</u> | <u>11,482</u> |
| | | | |
| Cost of activities: | | | |
| Salaries and related expenses | | 8,217,527 | 11,508,516 |
| Operating expenses | 14 | 3,430,663 | 7,386,541 |
| New productions | | 547,060 | 794,959 |
| Other expenses | | - | 163,472 |
| | | <u>12,195,250</u> | <u>19,853,488</u> |
| | | | |
| Net income from activities | | 1,684,435 | 3,389,731 |
| General and administrative expenses | 15 | 2,386,274 | 3,062,431 |
| | | <u>(701,839)</u> | <u>327,300</u> |
| Net (Loss)/income before financing | | (701,839) | 327,300 |
| Financing Incomes/ (expenses), net | 16 | 64,931 | (355,796) |
| | | <u>(766,770)</u> | <u>(28,496)</u> |
| Net Loss after financing | | (766,770) | (28,496) |
| Other Incomes | 17 | 375,972 | - |
| | | <u>(390,798)</u> | <u>(28,496)</u> |
| Net Loss for year | | <u>(390,798)</u> | <u>(28,496)</u> |

The accompanying notes to the financial statements are an integral part of them.

BATSHEVA DANCE COMPANY (REGISTERED NGO)
STATEMENTS OF CHANGES IN NET ASSETS

| | <u>Net assets unrestricted for use in activities</u> | | | <u>Net assets restricted for use in activities</u> | <u>Total</u> |
|--|---|---|----------------------------------|--|--------------|
| | <u>Undesignated by institutions of the non-profit</u> | <u>Designated by institutions of the non-profit</u> | <u>Used for fixed assets</u> | | |
| | <u>N I S</u> | | | | |
| Balance as of January 1, 2019 | (59,824) | 2,277,797 | 2,483,935 | 7,935,818 | 12,637,726 |
| Net Loss for 2019 | (28,496) | - | - | - | (28,496) |
| Amounts designated by the NGO | (36,705) | 36,705 | - | - | - |
| Donations Received (*) | - | - | - | 1,354,598 | 1,354,598 |
| Amounts released from temporary restricted net assets | | | | (120,000) | (120,000) |
| Transfer of unrestricted amounts: | | | | | |
| Used to acquire fixed assets | (852,037) | - | 852,037 | - | - |
| Amounts transferred to cover depreciation expenses | 723,008 | - | (723,008) | - | - |
| Balance as of December 31, 2019 | (254,054) | 2,314,502 | 2,612,964 | 9,170,416 | 13,843,828 |
| Net Loss for 2020 | (390,798) | - | - | - | (390,798) |
| Amounts designated by the NGO | (7,754) | 7,754 | - | - | - |
| Donations Received (*) | - | - | - | 1,154,390 | 1,154,390 |
| Amounts released from temporary restricted net assets | - | - | - | (150,000) | (150,000) |
| Transfer of unrestricted amounts: | | | | | |
| Used to acquire fixed assets | (134,982) | - | 134,982 | - | - |
| Amounts transferred to cover depreciation expenses | 705,670 | - | (705,670) | - | - |
| Balance as of December 31, 2020 | (81,918) | 2,322,256 | 2,042,276 | 10,174,806 | 14,457,420 |

(*) See note 12B.

The accompanying notes to the financial statements are an integral part of them.

BATSHEVA DANCE COMPANY (REGISTERED NGO)
STATEMENTS OF CASH FLOWS

| | Year ended December 31, | |
|---|-------------------------|--------------------|
| | 2020 | 2019 |
| | <u>NIS</u> | <u>NIS</u> |
| <u>Cash flows - current operations:</u> | | |
| Net Loss income for year | (390,798) | (28,496) |
| Adjustments necessary to present cash flows from current operations (Appendix A) | 883,574 | (2,162,019) |
| Net cash derived from current operations | <u>492,776</u> | <u>(2,190,515)</u> |
| <u>Cash flows - investment activities:</u> | | |
| Acquisition of fixed assets | (134,982) | (852,037) |
| Net cash used for investment activities | <u>(134,982)</u> | <u>(852,037)</u> |
| <u>Cash flows - financing activities:</u> | | |
| Restricted contributions designated for purchasing of assets | 1,004,390 | 1,234,598 |
| Net cash used for financing activities | <u>1,004,390</u> | <u>1,234,598</u> |
| | | |
| (Decrease) Increase in cash and cash equivalents | <u>1,362,184</u> | <u>(1,807,954)</u> |
| | | |
| Balance of cash and cash equivalents at beginning of year | <u>6,759,501</u> | <u>8,567,455</u> |
| | | |
| Balance of cash and cash equivalents at end of year | <u>8,121,685</u> | <u>6,759,501</u> |

The accompanying notes to the financial statements are an integral part of them.

BATSHEVA DANCE COMPANY (REGISTERED NGO)
STATEMENTS OF CASH FLOWS

Appendix A - Adjustments necessary to present cash flows from current operations

| | Year ended December 31 | |
|---|-------------------------------|--------------------|
| | 2 0 2 0 | 2 0 1 9 |
| | NIS | NIS |
| Income and expenses not involving cash flows: | | |
| Depreciation | 705,670 | 723,008 |
| Increase (Decrease) in provision for employee rights upon retirement, net | 42,690 | (59,216) |
| | <u>748,360</u> | <u>663,792</u> |
| Changes in asset and liability items: | | |
| (Increase)Decrease in trade receivables | 1,939,276 | (595,235) |
| (Increase) Decrease in other current assets | (12,573) | 4,224 |
| Increase (Decrease) in accounts payable | 13,190 | (185,685) |
| Increase (Decrease) in other current liabilities | 259,525 | (17,409) |
| (Decrease) Increase in provisions | (56,450) | 5,000 |
| Increase in prepaid expenses | (2,007,754) | (2,036,706) |
| | <u>135,214</u> | <u>(2,825,811)</u> |
| | <u>883,574</u> | <u>(2,162,019)</u> |

The accompanying notes to the financial statements are an integral part of them.

BATSHEVA DANCE COMPANY (REGISTERED NGO)
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - GENERAL

- A. The NGO was established for the purpose of advancing the subsistence and success of the "Batsheva" modern dance company.
- B. The NGO assembles various monetary sources mostly for the following activities:
 - (1) Maintaining a troupe of dancers and choreographers and preparing a cache of dancers.
 - (2) Undertakings with originators in the area of encouraging Israeli conceptions.
 - (3) Acquisition, production and presentation of creations.
 - (4) Encouragement of interest by the audience in modern dance and the work of the NGO.

NOTE 2 - ACCOUNTING POLICIES

A. Israeli Accounting Standard No 40:

On August 13, 2020, the Professional Committee of the Israel Accounting Standards Board approved Accounting Standard No. 40 regarding Accounting Rules and Financial Reporting by Non-Profit Organizations.

The standard consolidates the accounting and financial reporting rules for non-profit organizations, and upon its entry into force, the standard will replace Statement No. 69 of the Institute of Certified Public Accountants in Israel regarding accounting rules and financial reporting by non-profit organizations. In addition, the standard will repeal Standard 5, Standard 9, Standard 36 and sections 1-2 of "Improving Existing Standards 2017 (a)" which deal with the issue of non-profit organizations.

The standard includes changes compared to the existing standard which are detailed in the introduction to the standard, such as in the rules for recognizing the income of non-profits (regarding contributions of fixed assets and cash for investment in fixed assets and for services received without consideration), in the rules for recognizing and measuring works of art, historical assets and similar assets. Cash flows as part of a report on cash flows, and more

B. General:

The financial statements of the NGO are expressed in nominal NIS and are being prepared mainly for reporting to the various authorities according to law.

For this reason, and other practical reasons derived from the size of the NGO and from the reporting requirements, these financial statements have not been presented in reported amounts as is required by Standard 12 of the Israel Accounting Standards Board and the comparative figures were not presented in adjusted amounts as is mandated by the accounting opinions of the Institute of Certified Public Accountants in Israel.

C. Basis for recognition of revenues and expenses:

Revenues and expenses are included in the financial statements on the accrual basis.

D. Fixed assets:

Fixed assets acquired or received as a gift prior to January 1, 1997 are presented at marginal value.

Fixed assets acquired after that date are presented at cost

Depreciation is computed at equal annual rates according to the estimated useful lives of the assets.

BATSHEVA DANCE COMPANY (REGISTERED NGO)
NOTES TO THE FINANCIAL STATEMENTS

Annual depreciation rates:

| | (%) |
|-------------------------|------|
| Building | 4 |
| Leasehold improvements | 10 |
| Furniture and equipment | 6-33 |

E. Cash and cash equivalents:

The section includes cash and short term deposits for up to 3 months.

NOTE 3 - CASH AND CASH EQUIVALENTS

Composition:

| | As of December 31, | |
|------------------------|---------------------------|------------------|
| | 2020 | 2019 |
| | NIS | NIS |
| Cash | 2,153,086 | 2,841,941 |
| Short term deposits(*) | 5,968,599 | 3,917,560 |
| | <u>8,121,685</u> | <u>6,759,501</u> |

(*) for net assets restricted for use see statements of changes in net assets.

NOTE 4 - TRADE RECEIVABLES

Composition:

| | As of December 31, | |
|------------------------------------|---------------------------|------------------|
| | 2020 | 2019 |
| | NIS | NIS |
| Open accounts | 56,138 | 690,116 |
| Checks receivable and credit cards | - | 950,484 |
| Income receivable | - | 354,814 |
| | <u>56,138</u> | <u>1,995,414</u> |

NOTE 5 - OTHER CURRENT ASSETS

Composition:

| | As of December 31, | |
|-----------------------|---------------------------|----------------|
| | 2020 | 2019 |
| | NIS | NIS |
| Other receivables | 68,792 | 55,012 |
| Prepaid expenses | 77,720 | 81,936 |
| Advances to suppliers | 36,632 | 33,623 |
| | <u>183,144</u> | <u>170,571</u> |

BATSHEVA DANCE COMPANY (REGISTERED NGO)
NOTES TO THE FINANCIAL STATEMENTS

NOTE 6 - FIXED ASSETS

A. Composition:

| | Furniture & Equipment | Payments on account of building | Leasehold improvements | Technology project | Total |
|---|--------------------------|---------------------------------------|---------------------------|-----------------------|------------------|
| | N I S | | | | |
| Cost: | | | | | |
| Cost - January 1, 2020 | 4,322,546 | 261,540 | 5,097,518 | 75,968 | 9,757,572 |
| Acquisitions during year | 76,650 | - | - | 58,332 | 134,982 |
| Cost - December 31, 2020 | <u>4,399,196</u> | <u>261,540</u> | <u>5,097,518</u> | <u>134,300</u> | <u>9,892,554</u> |
| Accumulated depreciation: | | | | | |
| Depreciation- January 1, 2020 | 3,133,277 | 211,761 | 3,723,602 | 75,968 | 7,144,608 |
| Additions for year | 357,831 | 10,462 | 337,377 | - | 705,670 |
| Accumulated depreciation- December 31, 2020 | <u>3,491,108</u> | <u>222,223</u> | <u>4,060,979</u> | <u>75,968</u> | <u>7,850,278</u> |
| Balance at the end of period: | | | | | |
| December 31, 2020 | <u>908,088</u> | <u>39,317</u> | <u>1,036,539</u> | <u>58,332</u> | <u>2,042,276</u> |
| December 31, 2019 | <u>1,189,269</u> | <u>49,779</u> | <u>1,373,916</u> | <u>-</u> | <u>2,612,964</u> |

B. See Note 2D with regard to rates of depreciation.

NOTE 7 - TRADE PAYABLES

Composition:

| | As of December 31, | |
|----------------|--------------------|----------------|
| | 2020 | 2019 |
| | NIS | NIS |
| Open accounts | 192,808 | 197,610 |
| Checks payable | 69,907 | 51,915 |
| | <u>262,715</u> | <u>249,525</u> |

NOTE 8 - OTHER CURRENT LIABILITIES

Composition:

| | As of December 31, | |
|----------------------------------|--------------------|------------------|
| | 2020 | 2019 |
| | NIS | NIS |
| Employees and payroll deductions | 1,229,555 | 1,616,615 |
| Government institutions | 10,165 | 15,156 |
| Accrued expenses | 699,069 | 763,952 |
| Prepaid income | 2,231,040 | 1,547,849 |
| Advances to receivables | 33,268 | - |
| | <u>4,203,097</u> | <u>3,943,572</u> |

BATSHEVA DANCE COMPANY (REGISTERED NGO)
NOTES TO THE FINANCIAL STATEMENTS

NOTE 9 - PROVISION FOR EMPLOYEE RIGHTS UPON RETIREMENT, NET

The provision for employee rights upon retirement included in the balance sheet represents the balance of the liability in the name of employees not covered by current deposits with insurance companies and by deposits to severance pay funds in the name of the NGO.

| | As of December 31, | |
|---|--------------------|---------|
| | 2020 | 2019 |
| | NIS | NIS |
| Net obligation for the termination of employee employer relationships | 191,718 | 149,028 |

NOTE 10 - REVENUES FROM OPERATIONS

Composition:

| | As of December 31, | |
|------------------------|--------------------|------------|
| | 2020 | 2019 |
| | NIS | NIS |
| Performances in Israel | 2,248,169 | 4,795,206 |
| Performance abroad | 552,409 | 4,417,331 |
| Online Performances | 297,136 | - |
| Other income | 337,107 | 1,114,114 |
| | 3,434,821 | 10,326,651 |

NOTE 11 - REVENUES FROM APPROPRIATIONS

Composition:

| | Year ended December 31 | |
|--|------------------------|-----------|
| | 2020 | 2019 |
| | NIS | NIS |
| Revenues from appropriations from the Ministry of Culture and Sports | 6,573,660 | 6,644,293 |
| Revenues from Vaadat Ezvonot paid by Ministry of Culture and Sports | 192,857 | - |
| Revenues from appropriations from the Tel Aviv Municipality (*) | 616,325 | 614,799 |
| | 7,382,842 | 7,259,092 |

(*) Includes income due to a discount from municipal tax costs for NIS 131 thousand (last year-approximately NIS 119 thousand).

BATSHEVA DANCE COMPANY (REGISTERED NGO)
NOTES TO THE FINANCIAL STATEMENTS

NOTE 12 - REVENUES FROM CONTRIBUTIONS

A. Composition non restricted donations:

| | Year ended December 31 | |
|--|-------------------------------|------------------|
| | 2020 | 2019 |
| | NIS | NIS |
| American Friends of Batsheva | 293,917 | 1,918,604 |
| The Robert Weil Family Foundation | 1,050,000 | 1,050,000 |
| Delek Motors Ltd | 100,000 | - |
| The Tel-Aviv Foundtion | - | 217,963 |
| UNITED ISRAEL APPEAL OF CANADA, INC | 75,440 | 201,620 |
| Fintex Worldwide LTD | - | 176,950 |
| Delta Galil Industries Ltd. | - | 100,000 |
| The Azrieli Foundation | 50,000 | 100,000 |
| In kind Donations(*) | 4,680 | 157,292 |
| Individual contributors, including members of the Management Board and Public Council | <u>1,337,131</u> | <u>1,603,565</u> |
| | <u>2,911,168</u> | <u>5,525,994</u> |

(*) During the reporting year, the NGO received In kind donations estimated by the NGO's management in the amount of approximately NIS 4 thousand. (Last year NIS 157 thousands).

B. Composition restricted donations:

| | Year ended December 31 | |
|--|-------------------------------|------------------|
| | 2020 | 2019 |
| | NIS | NIS |
| America-Israel Cultural Foundation | 15,000 | 24,000 |
| NEVE TSEDEK GROUP LTD | - | 173,800 |
| Individual contribute or secluding members of the management Board and public council | 45,000 | 26,450 |
| Contributors for a new building (see note 19c) | <u>1,094,390</u> | <u>1,130,348</u> |
| | <u>1,154,390</u> | <u>1,354,598</u> |

C. Change in restricted donations (*):

| | Year ended December 31 | |
|--|-------------------------------|------------------|
| | 2020 | 2019 |
| | NIS | NIS |
| Balance as of January 1 st | 500,342 | 396,092 |
| Restricted donation received during the period | 60,000 | 224,250 |
| Amount released during the period | <u>(150,000)</u> | <u>(120,000)</u> |
| Balance as of December 31 st | <u>410,342</u> | <u>500,342</u> |

(*) Without donations for the building listed in note 19c.

BATSHEVA DANCE COMPANY (REGISTERED NGO)
NOTES TO THE FINANCIAL STATEMENTS

NOTE 13 - Dance School Activity

A. Dance school Revenues:

| | Year ended December 31 | |
|--------------------------|------------------------|---------|
| | 2020 | 2019 |
| | NIS | NIS |
| Revenues from operations | 295,390 | 150,000 |
| Other revenues | 29,550 | 15,795 |
| Donations | 20,500 | 1,000 |
| | 345,440 | 166,795 |

B. Dance School expenses:

| | Year ended December 31 | |
|--|------------------------|---------|
| | 2020 | 2019 |
| | NIS | NIS |
| Salaries and related expenses | 208,575 | 102,953 |
| Operating expenses (teachers, marketing) | 79,718 | 37,573 |
| General and administrative expenses | 35,793 | 14,787 |
| | 324,086 | 155,313 |

NOTE 14- OPERATING EXPENSES

Composition:

| | Year ended December 31 | |
|-------------------------------------|------------------------|-----------|
| | 2020 | 2019 |
| | NIS | NIS |
| Performance operations | 454,450 | 1,457,103 |
| Travel abroad | 208,908 | 2,054,918 |
| General operations | 922,375 | 1,166,869 |
| Advertising, marketing and sales | 486,046 | 874,986 |
| Raising resources | 72,979 | 250,776 |
| Royalties and copyrights | 259,215 | 454,055 |
| Treatments for dancers | 222,182 | 317,821 |
| Taxes and fees | 151,925 | 130,746 |
| Depreciation of operating equipment | 652,583 | 679,267 |
| | 3,430,663 | 7,386,541 |

BATSHEVA DANCE COMPANY (REGISTERED NGO)
NOTES TO THE FINANCIAL STATEMENTS

NOTE 15- GENERAL AND ADMINISTRATIVE EXPENSES

Composition:

| | Year ended December 31 | |
|--|-------------------------------|------------------|
| | 2020 | 2019 |
| | NIS | NIS |
| Salaries and related expenses | 1,866,269 | 2,490,318 |
| Postage, telephone and messenger service | 243,667 | 237,981 |
| Insurance | 10,835 | 10,000 |
| Per diem, entertainment and gifts | 5,841 | 21,746 |
| Car maintenance | 18,805 | 40,012 |
| Professional fees | 161,397 | 134,167 |
| Depreciation | 53,087 | 43,741 |
| Courses and professional development | 12,797 | 19,466 |
| Others | 13,576 | 65,000 |
| | <u>2,386,274</u> | <u>3,062,431</u> |

NOTE 16- Financing (income) expenses:

Composition:

| | Year ended December 31 | |
|--|-------------------------------|----------------|
| | 2020 | 2019 |
| | NIS | NIS |
| (Incomes) Interest on short term deposits | (8,892) | (16,684) |
| Credit card & bank commissions | 79,657 | 89,009 |
| Exchange rate differences (Incomes) / expenses | (5,834) | 283,471 |
| | <u>64,931</u> | <u>355,796</u> |

NOTE 17- Other Incomes:

Composition:

| | Year ended December 31 | |
|---|-------------------------------|-------------|
| | 2020 | 2019 |
| | NIS | NIS |
| Governments grants due to COVID-19 crisis | 315,972 | - |
| Other Incomes (see note 19 a) | 60,000 | - |
| | <u>375,972</u> | <u>-</u> |

BATSHEVA DANCE COMPANY (REGISTERED NGO)
NOTES TO THE FINANCIAL STATEMENTS

NOTE 18- TAXES ON INCOME

The NGO is a non-profitable institution and therefore is not obligated to pay income taxes on its income from operations. The NGO is recognized as a public institution for purposes of contributions pursuant to Section 46 of the Income Tax Ordinance.

NOTE 19 - PROVISIONS, CONTINGENT LIABILITY, COMMITMENTS AND GUARANTEES

A. Provisions:

Composition

| | Year ended December 31 | |
|---------------------------------|-------------------------------|------------------|
| | 2020 | 2019 |
| | NIS | NIS |
| Contingent liability (*) | 828,000 | 828,000 |
| Commitments and guarantees (**) | 510,000 | 570,000 |
| Others | 40,550 | 37,000 |
| | 1,378,550 | 1,435,000 |

(*) In Previous years, the NGO executed a provision in a total of NIS 828 thousand towards Proventous, in respect of money paid by them towards third parties. In case the new hall project will not carried out, the NGO will be obligated to pay back the amount.

(**) In previous years, the NGO executed a provision in a total of NIS 570 thousand with respect to the NGO's commitments.in the reporting year the NGO updated the provision.

B. Commitments:

(1) Starting September 2018, Ohad Naharin is the NGO's choreographer and Gili Navot is the NGO's Artistic Director. The management is in final stages of the agreements with Naharin.

(2) On December 6, 2017, an agreement was signed between the NGO and the Tel Aviv-Yafo Foundation (hereinafter: "the Fund") for the construction of a new campus for the activities and needs of the NGO. The NGO is responsible for raising and transferring funds worth half the cost of the project, in the amount of NIS 74 million. The payments of the NGO will be transferred to the Fund in installments, on the dates and under the conditions specified in the agreement. On December 25, 2019, the Board of Directors approved increasing the NGO's share in additional NIS 6 million, so the total amount will be NIS 80 million.

Up to the date of the financial statements, the NGO transferred 8 million NIS to the fund.

The remain balance of NIS 2 Million are additional investment of the NGO in the campus.

BATSHEVA DANCE COMPANY (REGISTERED NGO)
NOTES TO THE FINANCIAL STATEMENTS

NOTE 19 - PROVISIONS, CONTINGENT LIABILITY, COMMITMENTS AND GUARANTEES (Cont.)

C. Designated contributions for the Campus:

| | Year ended December 31 | |
|---|-------------------------------|------------------|
| | 2 0 2 0 | 2 0 1 9 |
| | NIS | NIS |
| Opening balance as of January 1 st | 7,842,074 | 6,711,726 |
| Designated contributions received (*) | 1,094,390 | 1,130,348 |
| Closing balance as of December 31 st | <u>8,936,464</u> | <u>7,842,074</u> |

(*) Contribution restricted:

| | Year ended December 31 | |
|--|-------------------------------|--------------------|
| | 2 0 2 0 | 2 0 1 9 |
| | NIS | NIS |
| American Friends of BatSheva | 1,447,740 | 1,040,773 |
| Besen family Foundation | - | 523,050 |
| Debbie Dadon AC | - | 261,525 |
| The Ted Arison family foundation (Israel), a public benefit company Ltd. | 336,600 | - |
| Sara Sela | 100,000 | 180,000 |
| Individual contributors (Less than NIS 100 thousands) | 260,050 | 175,000 |
| Intermediate financing | <u>(1,050,000)</u> | <u>(1,050,000)</u> |
| Total | <u>1,094,390</u> | <u>1,130,348</u> |

D. Guarantees:

The NGO has a bank guarantee vis-à-vis third parties in an amount of NIS 125 thousands.

NOTE 20 - Events after the balance sheet date

As of the date of approval of the financial statements, the regulations approved by the Ministry of Health enable the NGO to perform in front of live audience in Israel. However there is uncertainty regarding performances abroad, due to health regulation in each destination

BATSHEVA DANCE COMPANY (REGISTERED NGO)
NOTES TO THE FINANCIAL STATEMENTS

Appendix A

| | Year ended December 31 | | | |
|---------------------------------------|------------------------|----------------|-----------------------|----------------|
| | 2020 NIS | 2020 NIS | 2019 NIS | 2019 NIS |
| | Current activities | Dance Schoo | Current activities | Dance Schoo |
| Items of sources and uses | | | | |
| Sources: | | | | |
| Ministry of Culture and Sports | 6,573,660 | - | 6,644,293 | - |
| Tel Aviv-Jaffe Municipality | 616,325 | - | 614,799 | - |
| Vaadat Ezvonot | 192,857 | - | | |
| Contributions | 3,040,668 | 20,500 | 5,645,994 | 1,000 |
| Revenues from performances | 3,434,821 | 324,940 | 10,326,651 | 165,795 |
| Total sources | <u>13,858,331</u> | <u>345,440</u> | <u>23,231,737</u> | <u>166,795</u> |
| Uses: | | | | |
| Operations: | | | | |
| Salaries for operations | 8,217,527 | 208,575 | 11,508,516 | 102,953 |
| Expenses for activities: | | | | |
| Performance operations | 454,450 | - | 1,457,103 | - |
| Travel abroad | 208,908 | - | 2,054,918 | - |
| General operations | 922,375 | 79,718 | 1,166,869 | 37,573 |
| Advertising, marketing and sales | 486,046 | - | 874,986 | - |
| Raising resources | 72,979 | - | 250,776 | - |
| Royalties and copyrights | 259,215 | - | 454,055 | - |
| Treatments for dancers | 222,182 | - | 317,821 | - |
| Taxes and fees | 151,925 | - | 130,746 | - |
| New productions | 547,060 | - | 794,959 | - |
| Depreciation of operating equipment | 652,583 | - | 679,267 | - |
| Other expenses | - | - | 163,472 | - |
| Total operating expenses | <u>3,977,723</u> | <u>79,718</u> | <u>8,344,972</u> | <u>37,573</u> |
| Overhead: | | | | |
| Administrative salaries | 1,866,269 | 35,793 | 2,490,318 | 14,787 |
| Professional services | 161,397 | - | 134,167 | - |
| Car maintenance and travel | 18,805 | - | 40,012 | - |
| Gifts and entertainment | 5,841 | - | 21,746 | - |
| Other overhead | 333,962 | - | 376,188 | - |
| Total overhead | <u>2,386,274</u> | <u>35,793</u> | <u>3,062,431</u> | <u>14,787</u> |
| Total uses for activities | <u>14,581,524</u> | <u>324,086</u> | <u>22,915,919</u> | <u>155,313</u> |
| (Expenses) / Revenues from activities | <u>(723,193)</u> | <u>21,354</u> | <u>315,818</u> | <u>11,482</u> |
| Net Financing expenses | <u>(64,931)</u> | <u>-</u> | <u>(355,796)</u> | <u>-</u> |
| Other Incomes | <u>375,972</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net (Loss) / income for year | <u>(412,152)</u> | <u>21,354</u> | <u>(39,978)</u> | <u>11,482</u> |