BATSHEVA DANCE COMPANY (REGISTERED NGO) FINANCIAL STATEMENTS AS OF DECEMBER 31, 2021

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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, 2021 and 2020, 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, 2021 and 2020, 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 27th, 2022

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BATSHEVA DANCE COMPANY (REGISTERED NGO) BALANCE SHEETS

		December 31,	
	Note	2021	2020
		NIS	NIS
Current assets			
Cash and cash equivalents	3	8,742,682	8,121,685
Trade receivables	4	436,921	56,138
Other current assets	5	173,116	183,144
		9,352,719	8,360,967
Long term prepaid	19b(2)	10,138,824	10,090,257
Fixed assets, depreciated cost	6	2,038,765	2,042,276
		21,530,308	20,493,500
Current liabilities	-7	020 524	262.715
Trade payables	7	239,524	262,715
Other current liabilities	8	2,676,003	
		2,915,527	4,465,812
Long term liabilities			
Provision for employees rights upon retirement, net	9	120,919	191,718
Provisions, contingent liability, commitments and guarantees	19	1,383,600	1,378,550
Net assets			
Unrestricted net assets:			
Deficiency from net assets for use for activities not designated by			
the institutions of the non-profit Net assets for use in activities designated by the institutions of the		1,805,596	(81,918)
non-profit		2,370,823	2,322,256
Net assets used for fixed assets		2,038,765	2,042,276
Net assets restricted for use in activities:		10,895,078	10,174,806
		17,110,262	14,457,420
/		21,530,308	20,493,500
			boy
ZVI Ziv Michael Kenny		Dina Alc	lor
Chairman of the Board of Chairman of the Public Cox	íncil	CEO	

Date of approval of financial statements: June 27 2022

Directors

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

BATSHEVA DANCE COMPANY (REGISTERED NGO) STATEMENTS OF ACTIVITIES

		For the ye	
	Note	2021	2020
		NIS	NIS
Operational volume:			
Revenues from operations	10	4,901,074	3,434,821
Revenues from appropriations	11	11,116,893	7,382,842
Revenues from contributions	12	4,742,293	2,911,168
Amounts released from temporary restricted net assets	12(c)	100,000	129,500
		20,860,260	13,858,331
Dance School Activity			
Dance school revenues	13(a)	375,600	345,440
Dance school expenses	13(b)	522,739	324,086
Net (Loss) / income from Dance school activity		(147,139)	21,354
Cost of activities:			
Salaries and related expenses		10,191,918	8,217,527
Operating expenses	14	4,905,551	3,430,663
New productions		514,271	547,060
Other expenses			
		15,611,740	12,195,250
Net income from activities	4.5	5,101,381	1,684,435
General and administrative expenses	15	2,998,400	2,386,274
Net Income / (Loss)e before financing		2,102,981	(701,839)
Financing expenses, net	16	208,026	64,931
Net Income / (Loss) after financing		1,894,955	(766,770)
Other Incomes	17	37,615	375,972
Net Income / (Loss) for year		1,932,570	(390,798)

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

•	Net assets ur	restricted for us			
	Undesignated by institutions of the non-profit	Designated by institutions of the non-profit	Used for fixed assets	Net assets restricted for use in activities	Total
			NIS		
Balance as of January 1, 2020	(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
Net Income for 2021	1,932,570	_	-	-	1,932,570
Amounts designated by the NGO	(48,567)	48,567	•	-	-
Donations Received (*)	-	-	_	878,772	878,772
Amounts released from temporary					
restricted net assets	-	-	-	(158,500)	(158,500)
Transfer of unrestricted amounts:					
Used to acquire fixed assets	(513,194)	-	513,194	-	-
Amounts transferred to cover					
depreciation expenses	516,705		516,705		-
Balance as of December 31, 2021	1,805,596	2,370,823	2,038,765	10,895,078	17,110,262

^(*) See note 12B.

BATSHEVA DANCE COMPANY (REGISTERED NGO) STATEMENTS OF CASH FLOWS

	Year ended De	ecember 31,
	2021	2020
	NIS	NIS
Cash flows - current operations:		
Net Income / (Loss) for year	1,932,570	(390,798)
Adjustments necessary to present cash flows from current operations		
(Appendix A)	(1,518,651)	883,574
Net cash derived from current operations	413,919	492,776
Cash flows - investment activities: Acquisition of fixed assets Net cash used for investment activities	(513,194) (513,194)	(134,982) (134,982)
Cash flows - financing activities: Restricted contributions designated for purchasing of assets	720,272	1,004,390
Net cash used for financing activities	720,272	1,004,390
(Decrease) Increase in cash and cash equivalents	620,997	1,362,184
Balance of cash and cash equivalents at beginning of year	8,121,685	6,759,501
Balance of cash and cash equivalents at end of year	8,742,682	8,121,685

BATSHEVA DANCE COMPANY (REGISTERED NGO) STATEMENTS OF CASH FLOWS

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

	Year ended I	December 31
	2021	2020
	NIS	NIS
Income and expenses not involving cash flows:		
Depreciation	516,705	705,670
Increase (Decrease) in provision for employee rights upon retirement, net	(70,799)	42,690
	445,906	748,360
Changes in asset and liability items:		
(Increase) Decrease in trade receivables	(380,783)	1,939,276
(Increase) Decrease in other current assets	10,028	(12,573)
Increase (Decrease) in accounts payable	(23,191)	13,190
Increase (Decrease) in other current liabilities	(1,527,094)	259,525
(Decrease) Increase in provisions	5,050	(56,450)
Increase in prepaid expenses	(48,567)	(2,007,754)
	(1,964,557)	135,214
	(1,518,651)	883,574

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 Standart 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.

The standard will apply to financial statements for annual periods starting or after January 1st, 2021.

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.

BATSHEVA DANCE COMPANY (REGISTERED NGO)

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 - ACCOUNTING POLICIES (Cont.)

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.

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 Dece	As of December 31,	
	2021	2020	
	NIS	NIS	
Cash	2,380,659	2,153,086	
Short term deposits(*)	6,362,023	5,968,599	
	8,742,682	8,121,685	

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

NOTE 4 - TRADE RECEIVABLES

Composition:

·	As of Dece	mber 31,
	2021	2020
	NIS	NIS
Open accounts	190,385	56,138
Checks receivable and credit cards	176,536	-
Income receivable	70,000	-
	436,921	56,138

NOTE 5 - OTHER CURRENT ASSETS

Composition:

•	As of December 31,		
	2021 2020	2020	
	\$ NIS	NIS	
Other receivables	79,792	68,792	
Prepaid expenses	79,999	77,720	
Advances to suppliers	13,445	36,632	
	173,116	183,144	
			

NOTE 6 - FIXED ASSETS

A. Composition:

·	Furniture & Equipment	Payments on account of building	Leasehold improvements N I S	Technology project	Total
Cost:			NIJ		
Cost - January 1, 2021	4,399,196	261,540	5,097,518	134,300	9,892,554
Acquisitions during year	191,403	-	218,154	103,637	513'194
Cost - December 31, 2021	4,590,599	261,540	5,315,672	237,937	10,405,748
Accumulated depreciation:					
Depreciation- January 1, 2021	3,491,108	222,223	4,060,979	75,968	7,850,278
Additions for year	294,725	10,462	211,518		516,705
Accumulated depreciation- December 31, 2021	3,785,833	232,685	4,272,497	75,968	8,366,983
Balance at the end of period:					
December 31, 2021	804,766	28,855	1,043,175	161,969	2,038,765
December 31, 2020	908,088	39,317	1,036,539	58,332	2,042,276

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

NOTE 7 - TRADE PAYABLES

Composition:

	As of Dec	As of December 31,	
	2021	2020	
	NIS	NIS	
Open accounts	219,598	192,808	
Checks payable	19,926	69,907	
•	239,524	262,715	

NOTE 8 - OTHER CURRENT LIABILITIES

Composition:

	As of December 31,	
	2021	2020
	NIS	NIS
Employees and payroll deductions	1,692,292	1,229,555
Government institutions	18,227	10,165
Accrued expenses	670,465	699,069
Prepaid income	294,839	2,231,040
Advances to receivables	-	33,268
	2,676,003	4,203,097

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,	
	2021	2020
	NIS	NIS
Net obligation for the termination of employee employer		
relationships	120,919	191,718

NOTE 10 - REVENUES FROM OPERATIONS

Composition:

	As of December 31,	
	2021	2020
	NIS	NIS
Performances in Israel	4,198,192	2,248,169
Performance abroad	42,017	552,409
Online Performances	102,499	297,136
Other income	558,366	337,107
	4,901,074	3,434,821

NOTE 11 - REVENUES FROM APPROPRIATIONS

Composition:

	Year ended December 31	
	2 0 2 1 NIS	2 0 2 0 NIS
Revenues from appropriations from the Ministry of Culture and Sports (*) Revenues from Vaadat Ezvonot paid by Ministry of Culture and	10,486,303	6,573,660
Sports	-	192,857
Revenues from appropriations from the Tel Aviv Municipality (*)	630,590	616,325
	11,116,893	7,382,842

- (*) Includes additional support from the Ministry of Culture and Sports in amount of NIS 3.9 Million, which was received as assisting cultural institutes in Israel in dealingwith the effect of the COVID-19 pandemic.
- (**) Includes income due to a discount from municipal tax costs for NIS 122 thousand (last year-approximately NIS 131 thousand).

NOTE 12 - REVENUES FROM CONTRIBUTIONS

A. Composition non restricted donations:

	Year ended December 31	
	2021	2020
	NIS	NIS
American Friends of Batsheva	2,066,890	293,917
The Robert Weil Family Foundation	1,050,000	1,050,000
Bertelsmann SE & Co. KGaA	102,518	-
Delek Motors Ltd		100,000
UNITED ISRAEL APPEAL OF CANADA, INC		75,440
The Azrieli Foundation		50,000
In kind Donations	3,042	4,680
Individual contributors, including members of the Management Board and Public Council	1,519,843	1,337,131
	4,742,293	2,911,168

B. Composition restricted donations:

	Year ended De	ecember 31
	2021	2020
	NIS	NIS
America-Israel Cultural Foundation	15,000	15,000
American Friends of BatSheva Individuals contribute or secluding members of the	117,540	-
management Board and public council	17,300	45,000
Contributors for a new building (see note 19c)	728,932	1,094,390
	878,772	1,154,390

NOTE 12 - REVENUES FROM CONTRIBUTIONS (cont.)

C. Change in restricted donations (*):

()	Year ended December 31	
	2021	2020
	NIS	NIS
Balance as of January 1 st Restricted donation received during the period Amount released during the period	410,342 149,840 (158,500)	500,342 60,000 (150,000)
Balance as of December 31st	401,682	410,342

^(*) Not including designated donation for the campus as detailed in Note 19c

NOTE 13 - Dance School Activity

Α. Dance school Revenues:

	Year ended De	cember 31
	2021	2020
	NIS	NIS
Revenues from operations	273,880	295,390
Other revenues	43,220	29,550
Donations	58,500	20,500
	375,600	345,440

В. Dance School expenses:

÷	Year ended December 31	
	2021	2020
	NIS	NIS
Salaries and related expenses	269,137	208,575
Operating expenses (teachers, marketing)	170,674	79,718
General and administrative expenses	82,928	35,793
·	522,739	324,086

NOTE 14 -OPERATING EXPENSES

Composition:

	Year ended D	December 31
	2021	2020
	NIS	NIS
Performance operations	1,736,628	454,450
Travel abroad	20,528	208,908
General operations	956,612	922,375
Advertising, marketing and sales	784,770	486,046
Raising resources	159,378	72,979
Royalties and copyrights	385,560	259,215
Treatments for dancers	269,404	222,182
Taxes and fees	122,830	151,925
Depreciation of operating equipment	469,841	652,583
	4,905,551	3,430,663

NOTE 15 -GENERAL AND ADMINISTRATIVE EXPENSES

Composition:

Year ended December 31	
2021	2020
NIS	NIS
2,340,492	1,866,269
420,301	243,667
13,100	10,835
16,622	5,841
22,240	18,805
95,717	161,397
46,864	53,087
35,635	12,797
7,429	13,576
2,998,400	2,386,274
	2 0 2 1 NIS 2,340,492 420,301 13,100 16,622 22,240 95,717 46,864 35,635 7,429

NOTE 16 -Financing (income) expenses:

Composition:

	Year ended December 31		
	2021	2020	
	NIS	NIS	
(Incomes) Interest on short term deposits	(3,602)	(8,892)	
Credit card & bank commissions	74,506	79,657	
Exchange rate differences (Incomes) / expenses	137,122	(5,834)	
Zhonango rate annotanes (meemes), empenses	208,026	64,931	

NOTE 17 -Other Incomes:

Composition:

	Year ended December 31		
	2021	2 0 2 0 NIS	
	NIS		
Governments grants due to COVID-19 crisis Other Incomes (see note 19 a)	37,615	315,972	
		60,000	
	37,615	375,972	

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		
	2021	2020	
	NIS	NIS	
Contingent liability (*)	828,000	828,000	
Commitments and guarantees (**)	510,000	510,000	
Others	45,600	40,550	
	1,383,600	1,378,550	

- (*) 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 510 thousand with respect to the NGO's commitments.in the year of the report there was no update of the provision (last year the provision was decrease in 60 thousands).

B. Commitments:

- (1) On April 2022, the NGO signed on renewal of employment and royalties agreements with Ohad Naharin, the NGO's choreographer. for another 8 year as from the signing date.
- (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 2.1 Million are additional investment of the NGO in the campus.

C. Designated contributions for the Campus:

•	Year ended D	Year ended December 31		
	2021	2020		
	NIS	NIS		
Opening balance as of January 1st	8,936,464	7,842,074		
Designated contributions received (*)	728,932	1,094,390		
Closing balance as of December 31st	9,665,396	8,936,464		

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

C. Provisions: (Cont.)

(*) Contribution restricted:

	Year ended December 31		
	2021	2020	
	NIS	NIS	
American Friends of BatSheva	-	1,447,740	
M.E.A foundation	158,575	85,050	
The Orion Foundation	307,857	-	
The Ted Arison family foundation (Israel), a public benefit			
company Ltd.	-	336,600	
Sara Sela	-	100,000	
Individual contributors (Less than NIS 100 thousand)	262,500	175,000	
Intermediate financing	-	(1,050,000)	
Total	728,932	1,094,390	

D. Guarantees:

The NGO has a bank guarantee vis-à-vis third parties in an amount of NIS 143 thousands.

Apendix A

	Year ended December 31			
	2021	2021	2020	2020
	NIS	NIS	NIS	NIS
	Current	Dance	Current	Dance
	activities	School	activities	School
Items of sources and uses				
Sources:				
Ministry of Culture and Sports	10,486,303	-	6,573,660	-
Tel Aviv-Jaffe Municipality	630,590		616,325	-
Vaadat Ezvonot	· -	-	192,857	-
Contributions	4,842,293	58,500	3,040,668	20,500
Revenues from performances	4,901,074	317,100	3,434,821	324,940
Total sources	20,860,260	375,600	13,858,331	345,440
Uses:				
Operations:	,	•		
Salaries for operations	10,191,918	269,137	8,217,527	208,575
Expenses for activities:				
Performance operations	1,736,628	153,282	454,450	-
Travel abroad	20,528	100,202	208,908	
General operations	956,612	-	922,375	79,718
Advertising, marketing and sales	784,770	17,392	486,046	79,710
Raising resources	159,378	17,582	72,979	_
Royalties and copyrights	385,560	_	259,215	~
Treatments for dancers	269,404	-	222,182	_
Taxes and fees	122,830	-	151,925	
New productions	514,271	-	547,060	
Depreciation of operating equipment	469,841	-	652,583	-
- · · · ·	409,041	-	002,000	-
Other expenses	F 440 000	470.674	2.077.702	70.740
Total operating expenses	5,419,822	170,674	3,977,723	79,718
Overhead:				
Administrative salaries	2,340,492	82,928	1,866,269	35,793
Professional services	95,717	-	161,397	-
Car maintenance and travel	22,240	-	18,805	-
Gifts and entertainment	16,622	-	5,841	-
Other overhead	523,329	· . •	333,962	-
Total overhead	2,998,400	82,928	2,386,274	35,793
Total uses for activities	18,610,140	522,739	14,581,524	324,086
(Expenses) / Revenues from activities	2,250,120	(147,139)	(723,193)	21,354
Net Financing expenses	208,026	_	(64,931)	-
Other Incomes	37,615	**	375,972	-
Net (Loss) / income for year	2,079,709	(147,139)	(412,152)	21,354