

DAVID YEHEZKEL – CERTIFIED PUBLIC ACCOUNTANT (ISR.)

Netanya, September 25, 2025

To:

Itworks – Empowering People (Registered Amuta/NPO)

In accordance with your request, I have audited the financial statements of itworks – Empowering People (Registered Association) as at December 31, 2024.

In this regard, I am honored to provide you with my report and the following documents, as detailed below:

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Sincerely,

David Yehezkel,
Certified Public Accountant (Isr.)

דוד יחזקאל-רואה חשבון
אלון צבי 20, נתניה
ע.מ. 025255571, מס' תע"מ 50028127

DAVID YEHEZKEL – CERTIFIED PUBLIC ACCOUNTANT (ISR.)

**Auditor's Report to the Members of
Itworks - Empowering People (Registered Amuta/NPO)**

I have audited the accompanying Statements of Financial Position of It Works – Empowering People (Registered Association") as at December 31, 2023 & 2024 and the Statements of Activities for the year then ended. These financial statements are the responsibility of the Registered Association's Management Committee and Management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards, including those prescribed by Auditors' Regulations (Auditor's Mode of Performance) - 1973. Those standards require that I 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 Registered Association's Management Committee and Management, as well as evaluating the overall financial statement presentation.

The financial statements are prepared on the basis of the historical cost convention in nominal terms.

In my opinion, the financial statements referred to above, present fairly, in accordance with generally accepted accounting principle, in all material respects, the financial position of the Registered NPO as it reflected on December 31, 2023 -and 2024 and the result of its activities for the years then ended, in accordance with generally accepted accounting principles in Israel (Israeli GAAP), on the basis of the historical cost convention in nominal terms.

25.9.2025

Sincerely,

**David Yehezkel,
Certified Public Accountant (Isr.)**

Itworks - Empowering People (Registered Amuta/NPO)
Statements of Financial Position

(Expressed in New Israel Shekels)

		December 31	
	Note	2023	2024
<u>Current Assets:</u>			
Bank – current account		5,006,508	2,999,196
Bank – Foreign Currency		2,968,605	1,066,640
Bank - deposit		65,281	5,102,366
Deposit – rents		4,740	4,740
Cash, credit cards and checks		1,139	1,059
Clients		392,729	739,507
Investment in a sub company		175,100	175,100
		8,614,102	10,088,608
<u>Fixed Assets:</u>			
Fixed assets – depreciated cost	3	168,655	170,612
		8,782,757	10,259,220
<u>Current Liabilities:</u>			
Suppliers and miscellaneous payables		276,364	792,569
Institutions	4	112,985	84,968
Employees		149,826	135,588
Students' deposits		3000	3,000
		542,175	1,016,125
<u>Net Assets:</u>			
Net assets, use not-restricted		1,000,000	2,100,000
Net assets, use-restricted		7,240,582	8,243,095
		8,240,582	9,243,095
		8,782,757	10,259,220

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

Ifat Baron Executive Director

Itworks - Empowering People (Registered Amuta/NPO)
Statements of Activities

(Expressed in New Israeli Shekels)

		For the Year Ended December 31	
	Schedule	2023	2024
Income	1	10,082,131	10,155,756
<u>Costs and expenses</u>			
Operating expenses	2	5,841,277	7,801,793
Management and general expenses	3	1,289,380	1,427,500
Financing expense. net		(98,418)	(76,050)
		7,032,239	9,153,243
YEAR Excess of Income over expenses		3,049,892	1,002,513
Excess Income over former year expenses		5,190,690	8,240,582
Total income over expenses		8,240,582	9,243,095

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

Ifat Baron Executive Director

**The accompanying schedules are an integral part of the financial statement itworks -
Empowering People (Registered Amuta/NPO)
Notes to the Financial Statements**

(Expressed in New Israel Shekels)

Note 1 – General:

1. It Works - Empowering People (Registered Association), was founded on 21.9.2006 and began operations on the same date.
2. The main goal of the Registered NPO is to promote and assimilate communication networks among disadvantaged populations, along with promoting excellence through academies throughout the country.
3. The Registered NPO was registered as a "non-profit institution" for Value Added Tax purposes and is registered in the Registrar of Associations under file number 580466464.
4. The breakdown of expenses between operating expenses and management and general expenses is made by the authorized forums of the Registered Association.
5. The breakdown between restricted net assets and non-restricted net assets is made by the authorized forums of the Registered Association.
6. Investment in a company – the Registered NPO holds one-third of the paid-up share capital of "Good Cause for Haredi Employment Ltd." (Company Registration Number 515183457)

Note 2: Significant Accounting Policies:

A. Accounting policy basis:

The financial statements of the Registered NPO are prepared in accordance with generally accepted accounting principles, in accordance with Standard 5 issued by the Israel Accounting Standards Board.

B. Fixed assets:

Fixed assets are recorded at historical cost. Depreciation is calculated using the straight-line method and is recognized over the asset's life.

**The accompanying schedules are an integral part of the financial statement itworks -
Empowering People (Registered Amuta/NPO)
Notes to the Financial Statements**

(Expressed in New Israel Shekels)

Note 3 - Fixed Assets – Depreciated Cost:

	Cost	Accumulated Depreciation	December 31	
			2023	2024
			Depreciated Cost	
Equipment	519,429	359,475	155,795	159,954
Leasehold improvements	26,298	15,640	12,860	10,658
	545,727	375,115	168,655	170,612

Note 4 – Institutions:

	December 31	
	2023	2024
Income tax – deductions	28,615	24,624
National Insurance Institute - deductions	27,249	23,873
Provision for social benefits	57,121	36,471
	112,985	84,968

Itworks - Empowering People (Registered Amuta/NPO)
Annex/ Notes to the Financial Statements

(Expressed in New Israel Shekels)

	For the Year Ended	
	December 31	
	2023	2024
<u>Schedule 1 – Income:</u>		
Government offices	1,842,156	1,882,211
Local municipalities	11,037	-
Courses Participation fees	230,012	297,554
Israel philanthropy funds	2,509,308	3,364,673
Participation – Public Benefit Company	1,857,699	2,555,362
Business sector	1,514,934	419,500
Foreign Funds Donations	2,014,185	1,404,456
Government In-kind support	102,800	232,000
	10,082,131	10,155,756
<u>Schedule 2 – Operating Expenses:</u>		
Salaries and benefits	2,501,088	1,992,966
Seminars and professional training	2,011,405	3,772,457
Trainings marketing	437,418	286,880
Student job placements	-	1,147,711
Equipment depreciation	17,629	19,592
Office	7,420	6,937
Computerization	49,900	72,889
Course refreshments hospitality	32,521	277,004
Mobile phone (net of implicit mobile tax value of NIS 2,560)	22,035	25,489
Travels	3,566	3,504
Ukrainian project	589,185	162,164
Students Scholarships	128,285	34,200
Iron Sword War funds	40,825	-
	5,841,277	7,801,793

Itworks - Empowering People (Registered Amuta/NPO)
Schedules to the Financial Statements

(Expressed in New Israel Shekels)

	For the Year Ended	
	December 31	
	2023	2024
<u>Schedule 3 – Management and General Expenses:</u>		
Salaries and benefits	986,658	1,019,470
Fundraising efforts	73,464	29,668
Office expenses	17,991	9,243
Accounting and audit	19,071	46,215
Mobile and landline phones (net of deducted mobile of 360 NIS)	6,694	2,953
Office rental and maintenance	133,063	279,139
Deprecation in rental property	2,202	2,202
Vehicle maintenance (net of implicit vehicle value of NIS 61,560)	20,564	17,625
Refreshments and gifts	4,473	701
Legal fees	20,231	17,500
Office insurance	4,969	2,734
	<u>1,289,380</u>	<u>1,150,018</u>