

**Akevot Institute for Israeli-Palestinian Conflict Research (Registered Association)**

**Financial Reports**

**For December 31, 2018**

*English translation from Hebrew original by Akevot*

June 18, 2019  
Date

To:  
Akevot Institute for Israeli-Palestinian Conflict Research (Registered Association)  
Tel-Aviv

Dear Sir/Madam

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Sincerely,  
[signed]  
Singer and Singer  
Accountants

Danny Singer

[on letterhead of Daniel Singer C.P.A. (Israel)]

P.O. Box 20142 Tel-Aviv, 61201  
100 Hahashmonaim St. Tel-Aviv  
Fax: 03-5622218; Tel: 03-5622215  
E-mail: [singer1@isdn.net.il](mailto:singer1@isdn.net.il)

**Report of Auditing Accountants to Members of the Association –**  
**Akevot Institute for Israeli-Palestinian Conflict Research (Registered Association)**

I have performed an audit of the attached balance sheets for Akevot Institute for Israeli-Palestinian Conflict Research (Registered Association) (hereinafter: the association) for December 31 2018 and 2017, as well as the operations report and net asset changes for the year ending on December 31 2018 and 2017.

These financial reports are the responsibility of the association's board of directors and management. My responsibility is to report on these financial reports based on my audit.

I have audited the reports in keeping with accepted auditing standards, including standards promulgated in the Accountant Regulations (Accountant Conduct) 5733-1973. According to said standards, I am required to plan and execute the audit with the object of obtaining a reasonable degree of certainty that the financial reports are not substantively biased. An audit includes a sample review of evidence that support the amounts and information indicated in the financial reports. The audit also includes a review of accounting rules implemented and the significant assessments made by the association's board of directors and management, and an evaluation of the propriety of the overall presentation of the financial reports. I believe my audit provides a sound basis for my report. The accounting books were managed by my office.

I believe the aforementioned financial reports duly reflect, for all material purposes, the financial status of the association as of December 31, 2018 and 2017, as well as the outcomes of its operations, the net changes to its assets for the year ending on December 31, 2018 and 2017, in accordance with accepted accounting rules in Israel (ISRAEL GAAP).

Tel-Aviv  
*June 18, 2019*

Sincerely,  
[signed]  
Singer and Singer  
Accountants

Danny Singer

**Akevot Institute for Israeli-Palestinian Conflict Research (Registered Association)**

**Balance Sheet**

	<u>Explanation</u>	<u>On December 31</u>	
		<u>2018</u>	<u>2017</u>
		<u>ILS</u>	<u>ILS</u>
<b><u>Assets</u></b>			
<u>Liquid assets</u>			
	Bank cash balance	91,353	36,133
	Various debtors	<u>62,033</u>	<u>23,375</u>
		<u>153,386</u>	<u>59,508</u>
	<u>Fixed assets:</u>	(3) <u>11,243</u>	<u>26,170</u>
		164,629	85,678
		=====	=====
<b><u>Liabilities</u></b>			
<u>Liquid liabilities</u>			
	Unpaid cheques	39,000	40,670
	Supplies and services	43,176	26,071
	Misc. beneficiaries	<u>67,378</u>	<u>54,247</u>
		<u>149,554</u>	<u>120,988</u>
	<u>Retirement compensation fund</u>	(4) <u>--</u>	<u>--</u>
<b><u>Net assets</u></b>			
	Net assets without usage restrictions (deficit)	(45,642)	(96,328)
	Net assets under temporary restriction	<u>60,717</u>	<u>61,018</u>
		<u>15,075</u>	<u>(35,310)</u>
		164,629	85,678
		=====	=====

[signed]  
Executive  
Director

[signed]  
Board member

[signed]  
Board Member

June 18, 2019  
Financial report  
confirmation date

**The explanations for the financial reports form an integral part thereof.**

## Operations Report

	<u>For the year ending December 31, 2016 ILS</u>	<u>For November 1 to December 31, 2015 ILS</u>
<b><u>Operations cycle</u></b>		
Donations and reimbursement	152,091	87,319
Sums released from net assets and under temporary usage restriction	<u>456,020</u> <u>608,111</u>	<u>309,249</u> <u>396,568</u>
<b><u>Operating costs</u></b>		
Remuneration and incidentals	242,327	273,040
Archival research and writing	135,406	57,745
Travel, including abroad	15,663	8,991
Office expenses	33,981	17,131
Depreciation	<u>14,927</u>	<u>26,390</u>
	<u>442,304</u>	<u>383,297</u>
Net income from operations	<u>165,807</u>	<u>13,271</u>
<b><u>Management and general expenses</u></b>		
Remuneration and incidentals	46,148	46,167
Accounting and auditing	<u>54,584</u> <u>100,732</u>	<u>48,477</u> <u>94,644</u>
Net income (expenses) prior to financing	65,075	(81,373)
Financing costs, net	<u>(14,389)</u>	<u>(1,144)</u>
Net income (expenses) per period	<u>50,686</u>	<u>(82,517)</u>

**Akevot Institute for Israeli-Palestinian Conflict Research (Registered Association)**

**Net Asset Changes Report**

	Net assets under no restriction <u>ILS</u>	Net assets under temporary restriction <u>ILS</u>	<u>Total</u> <u>ILS</u>
<b>Balance as at January 1, 2017</b>	(13,811)	-	(13,811)
Net income (expenses) per period	(82,517)	-	(82,517)
Donations received	-	370,267	370,267
Sums detracted per period (restrictions released)	<u>-</u>	<u>(309,249)</u>	<u>(309,249)</u>
<b>Balance as at December 31, 2018</b>	(96,328)	61,018	(35,310)
Net income (expenses) per period	50,686	-	50,686
Donations received	-	455,719	455,719
Sums detracted per period (restrictions released)	<u>-</u>	<u>(456,020)</u>	<u>(456,020)</u>
<b>Balance as at December 31, 2018</b>	<u>(45,642)</u>	<u>60,717</u>	<u>15,075</u>

**Akevot Institute for Israeli-Palestinian Conflict Research (Registered Association)**

**Explanations for Financial Reports**  
**For December 31, 2018**

**Explanation 1 – General**

- a. Akevot Institute for Israeli-Palestinian Conflict Research (Registered Association) (hereinafter: the association) is a non-profit institution working for the following purposes:

Collecting information related to the Israeli-Palestinian conflict and making it accessible.  
Conducting and publishing research on Israel's belligerent occupation of or means of control over the territories it occupies and on international humanitarian law, conducting public and educational activities and promoting transitional justice in order to promote an active and aware civil society in Israel.

- b. The association's assets and income shall be used for its purposes only.
- c. The association operates as a "public institution" pursuant to Section 9(2) of the Income Tax Ordinance and as a non-profit organization for purposes of the Value Added Tax Law.
- d. Pursuant to the aforesaid Section 9(2) the association's income is tax-exempt.
- e. The association was registered with the Registrar of Associations on October 28, 2013, with the number 580578680.

**Explanation 2 – Accounting policy**

The association records its assets, liabilities, income and expenses on the basis of accumulation, all in keeping with Public Statement 69 and Accounting Regulation No. 5 of the Israeli Accounting Standards Board.

**Explanation 3 – Fixed assets**

	<b><u>Cost</u></b> <b><u>ILS</u></b>	<b><u>Accumulated</u></b> <b><u>depreciation</u></b> <b><u>ILS</u></b>	<b><u>Diminished</u></b> <b><u>balance</u></b> <b><u>ILS – December</u></b> <b><u>31, 2018</u></b>	<b><u>Diminished</u></b> <b><u>balance</u></b> <b><u>ILS –</u></b> <b><u>December 31,</u></b> <b><u>2017</u></b>
Computers and equipment	43,565	33,852	9,713	18,427
Archive software	<u>45,158</u>	<u>43,628</u>	<u>1,530</u>	<u>7,743</u>
	<u>88,723</u>	<u>77,480</u>	<u>11,243</u>	<u>26,170</u>

**Explanation 4 – Reserve for employees' severance payments, net**

In the labor agreement signed with the employees of the NGO, employees adopted all the terms specified in the general approval of the minister of labor regarding employer contributions to pension and insurance funds in lieu of severance pay under Section 14 of the Severance Pay Law.

**Explanation 5 –**

The financial reports do not include cash flow reporting, as this reporting adds no significant information to the information contained in other parts of the financial reports.

**Explanation 6 -Donations from Foreign [Diplomatic] Entities**

<b><u>Name of donating entity</u></b>	<b><u>Donation Purpose</u></b>	<b><u>Donation Conditions</u></b>	<b><u>Donation Sum NIS</u></b>
Swiss Foreign Ministry	[Public] Access to Archives	According to agreement	320,231