

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

Financial Reports

For December 31, 2019

English translation from Hebrew original by Akevot

8 June 2020
Date

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

Dear Sir/Madam

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Sincerely,
[signed]
Danny Singer
Accountants

Danny Singer

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

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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 2019 and 2018, as well as the operations report and net asset changes for the year ending on December 31 2019 and 2018.

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, 2019 and 2018, as well as the outcomes of its operations, the net changes to its assets for the year ending on December 31, 2019 and 2018, in accordance with accepted accounting rules in Israel (ISRAEL GAAP).

Tel-Aviv
June 8, 2020

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>2019</u>	<u>2018</u>
		<u>ILS</u>	<u>ILS</u>
<u>Assets</u>			
<u>Liquid assets</u>			
Bank cash balance		322,682	91,353
Various debtors		<u>3,290</u>	<u>62,033</u>
		<u>325,972</u>	<u>153,386</u>
<u>Fixed assets:</u>	(3)	<u>22,995</u>	<u>11,243</u>
		348,967	164,629
		=====	=====
<u>Liabilities</u>			
<u>Liquid liabilities</u>			
Unpaid cheques		38,785	39,000
Supplies and services		19,106	43,176
Misc. beneficiaries		<u>51,948</u>	<u>67,378</u>
		<u>109,839</u>	<u>149,554</u>
<u>Retirement compensation fund</u>	(4)	<u>--</u>	<u>--</u>
<u>Net assets</u>			
Net assets without usage restrictions (deficit)		(79,123)	(45,642)
Net assets under temporary restriction		<u>318,251</u>	<u>60,717</u>
		<u>239,128</u>	<u>15,075</u>
		348,967	164,629
		=====	=====

[signed]
Executive
Director

[signed]
Board member

[signed]
Board Member

June 8, 2020
Financial report
confirmation date

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

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

Operations Report

	<u>For the year ending December 31, 2019 ILS</u>	<u>For the year ending December 31, 2018 ILS</u>
<u>Operations cycle</u>		
Donations and reimbursement	80,987	152,091
Sums released from net assets and under temporary usage restriction	<u>495,343</u> <u>576,330</u>	<u>456,020</u> <u>608,111</u>
<u>Operating costs</u>		
Remuneration and incidentals	352,294	242,327
Archival research and writing	109,803	135,406
Travel, including abroad	3,338	15,663
Office expenses	27,860	33,981
Depreciation	<u>6,915</u>	<u>14,927</u>
	<u>500,210</u>	<u>442,304</u>
Net income from operations	<u>76,120</u>	<u>165,807</u>
<u>Management and general expenses</u>		
Remuneration and incidentals	54,570	46,148
Accounting, auditing and Fundraising	<u>43,104</u> <u>97,674</u>	<u>54,584</u> <u>100,732</u>
Net income (expenses) prior to financing	(21,554)	65,075
Financing costs, net	<u>(11,927)</u>	<u>(14,389)</u>
Net income (expenses) per period	<u>(33,481)</u>	<u>50,686</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>
Balance as at January 1, 2018	(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>
Balance as at December 31, 2019	(45,642)	60,717	15,075
Net income (expenses) per period	(33,481)	-	(33,481)
Donations received	-	752,887	752,887
Sums detracted per period (restrictions released)	<u>-</u>	<u>(495,343)</u>	<u>(495,343)</u>
Balance as at December 31, 2019	<u>(79,123)</u>	<u>318,251</u>	<u>239,128</u>

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

Explanations for Financial Reports
For December 31, 2019

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.

During 2019 the Income Tax Office notified the association it must provide Income Tax Report in form of a business company, without making its results taxable. The association is working vis-a-vis the Income Tax authorities to cancel this instruction.

- 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

	<u>Cost</u> <u>ILS</u>	<u>Accumulated</u> <u>depreciation</u> <u>ILS</u>	<u>Diminished</u> <u>balance</u> <u>ILS – December</u> <u>31, 2019</u>	<u>Diminished</u> <u>balance</u> <u>ILS –</u> <u>December 31,</u> <u>2018</u>
Computers and equipment	61,135	39,495	21,640	9,713
Archive software	<u>46,251</u>	<u>44,896</u>	<u>1,355</u>	<u>1,530</u>
	<u>107,386</u>	<u>84,391</u>	<u>22,995</u>	<u>11,243</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

<u>Name of donating entity</u>	<u>Donation Purpose</u>	<u>Donation Conditions</u>	<u>Donation Sum NIS</u>
European Endowment for Democracy	Supporting Human Rights Defenders	According to agreement	149,955
Switzerland	Expanding Public Access to Government Archives	According to agreement	259,721.9
The Netherlands	Supporting Human Rights Defenders	According to agreement	189,879