

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

**Financial Reports**

**For December 31, 2017**

*English translation from Hebrew original by Akevot*

June 13, 2018  
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)]

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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 2017 and 2016, as well as the operations report and net asset changes for the year ending on December 31 2017 and 2016.

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, 2017 and 2016, as well as the outcomes of its operations, the net changes to its assets for the year ending on December 31, 2017 and 2016, in accordance with accepted accounting rules in Israel (ISRAEL GAAP).

Tel-Aviv  
*June 13, 2018*

Sincerely,  
[signed]  
Singer and Singer  
Accountants

Danny Singer

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

**Balance Sheet**

	<b><u>Explanation</u></b>	<b><u>On December 31</u></b>	
		<b><u>2017</u></b>	<b><u>2016</u></b>
		<b><u>ILS</u></b>	<b><u>ILS</u></b>
<b><u>Assets</u></b>			
<b><u>Liquid assets</u></b>			
Bank cash balance		<u>55,307</u>	<u>55,307</u>
various debtors		<u>23,375</u>	<u>--</u>
		<u>59,508</u>	<u>55,307</u>
<b><u>Fixed assets:</u></b>	(3)	<u>26,170</u>	<u>43,881</u>
		<u>85,678</u>	<u>99,198</u>
		=====	=====
<b><u>Liabilities</u></b>			
<b><u>Liquid liabilities</u></b>			
Unpaid cheques		40,670	44,182
Supplies and services		26,071	24,350
Misc. beneficiaries		<u>54,247</u>	<u>44,467</u>
		<u>120,988</u>	<u>112,999</u>
<b><u>Retirement compensation fund</u></b>	(4)	<u>--</u>	<u>--</u>
<b><u>Net assets</u></b>			
Net assets without usage restrictions (deficit)		(96,328)	(13,811)
Net assets under temporary restriction		<u>61,018</u>	<u>--</u>
		<u>(35,310)</u>	<u>(13,811)</u>
		<u>85,678</u>	<u>99,188</u>
		=====	=====
<u>          </u> Executive Director	<u>          </u> Board member	<u>          </u> Board Member	<u>          </u> Board Member
<u>June 13, 2018</u> Financial report confirmation date			

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

## Operations Report

	<u>For the year ending December 31, 2017 ILS</u>	<u>For November 1 to December 31, 2016 ILS</u>
<b><u>Operations cycle</u></b>		
Donations and reimbursement	87,319	87,976
Sums released from net assets and under temporary usage restriction	<u>309,249</u>	<u>428,151</u>
	<u>396,568</u>	<u>516,127</u>
<b><u>Operating costs</u></b>		
Remuneration and incidentals	273,040	249,449
Archival research and writing	57,745	141,469
Travel, including abroad	8,991	5,828
Office expenses	17,131	28,499
Depreciation	<u>26,390</u>	<u>23,023</u>
	<u>383,297</u>	<u>448,268</u>
Net income from operations	<u>13,271</u>	<u>67,859</u>
<b><u>Management and general expenses</u></b>		
Remuneration and incidentals	46,167	47,433
Accounting and auditing	<u>48,477</u>	<u>43,852</u>
	<u>94,644</u>	<u>91,285</u>
Net income (expenses) prior to financing	(81,373)	(23,426)
Financing costs, net	<u>(1,144)</u>	<u>(6,196)</u>
Net income (expenses) per period	<u>(82,517)</u>	<u>(29,622)</u>

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

**Net Asset Changes Report**

	<u>Net assets under no restriction ILS</u>	<u>Net assets under temporary restriction ILS</u>	<u>Total ILS</u>
<b>Balance as at January 1, 2016</b>	15,811	70,916	86,727
Net income (expenses) per period	(29,622)		(29,622)
Donations received		357,235	357,235
Sums detracted per period (restrictions released)	_____	<u>(428,151)</u>	<u>(428,151)</u>
<b>Balance as at December 31, 2016</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>(309,249)</u>	<u>(309,249)</u>
<b>Balance as at December 31, 2017</b>	<u>(96,328)</u>	<u>61,018</u>	<u>(35,310)</u>

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

**Explanations for Financial Reports**  
**For December 31, 2015**

**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, 2017</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>2016</u></b>
Computers and equipment	43,569	25,142	18,427	24,425
Archive programs	<u>45,153</u>	<u>37,410</u>	<u>7,743</u>	<u>19,456</u>
	<u>88,722</u>	<u>62,552</u>	<u>26,170</u>	<u>43,881</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 [Government] 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 Federal Department of Foreign Affairs	Access to Archives	According to agreement	225,886
Euro-Mediterranean Foundation of Support to Human Rights Defenders	Assisting human rights defenders	According to agreement	129,349