

**HaMoked: Center for the
Defence of the Individual -
Founded by Dr Lotte
Salzberger - R.A.**

**Financial Statements
As at December 31, 2011**

Financial Statements as at December 31, 2011

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**Auditors' Report to the Managing Committee of
Hamoked: Center for the Defence of the Individual -
Founded by Dr Lotte Salzberger R.A.**

We have audited the accompanying balance sheets of Hamoked: Center for the Defence of the Individual - Founded by Dr Lotte Salzberger R.A. (hereinafter "the Amuta") as of December 31, 2011 and 2010 and related combined statements of activities and changes in net assets and statements of cash flows for each of the years ended on such dates. These financial statements are the responsibility of the Amuta's Management Committee and Management. 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, in Israel including standards prescribed by the Auditors Regulations (Manner of Auditor's Performance), 1973. Such standards require that we plan and perform the audit to obtain reasonable assurance that 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 Committee and by Management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

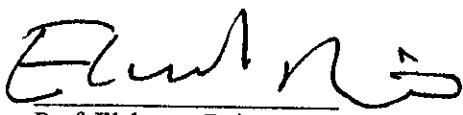
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Amuta as of December 31, 2011 and 2010 and the results of its activities and changes in net assets and cash flows for each of the years ended on such dates, in conformity with generally accepted accounting principles in Israel (Israeli GAAP).

Somekh Chaikin
Certified Public Accountants (Isr.)

May 30, 2012

Balance Sheets as at December 31

	Note	2011 NIS	2010 NIS
Current assets			
Cash and cash equivalents	3	3,019,984	1,270,850
Marketable securities and short-term deposits	4	1,374,455	1,286,386
Accounts receivable	5	934,137	648,611
		<u>5,328,576</u>	<u>3,205,847</u>
Fixed assets			
	6	<u>255,559</u>	242,324
		<u>5,584,135</u>	<u>3,448,171</u>
Current liabilities			
Payables and accrued expenses	7	<u>524,427</u>	707,531
Liabilities for employee severance benefits, net			
	8	<u>122,277</u>	90,655
Net assets			
Net assets without restrictions:			
Unrestricted		2,082	783,245
Used for fixed assets		255,559	242,324
Restricted by HaMoked		<u>2,145,851</u>	<u>496,525</u>
Total net assets without restriction		2,403,492	1,522,094
Net assets with temporary restrictions	9	<u>2,533,939</u>	<u>1,127,891</u>
Total net assets		<u>4,937,431</u>	<u>2,649,985</u>
		<u>5,584,135</u>	<u>3,448,171</u>



Prof. Elchanan Reiner
 Chairperson
 Member of the Board



Dr. Rafi Meron
 Acting Treasurer
 Member of the Board

30.12.2012
 Date

The notes to the financial statements form an integral part thereof.

Combined Statements of Activities and Changes in Net Assets for the year ended December 31

	Note	2011					2010				
		Unrestricted	Unrestricted	Restricted	With	Total	Unrestricted	Unrestricted	Restricted	With	Total
		NIS	used for fixed assets NIS	by HaMoked NIS	temporary restrictions NIS	NIS	NIS	used for fixed assets NIS	by HaMoked NIS	temporary restrictions NIS	NIS
Income from activities											
Donations	9	455,313	-	-	8,512,790	8,968,103	496,525	-	6,015,354	6,511,879	
Net assets released from restriction	9	7,106,742	-	-	(7,106,742)	-	6,278,387	-	(6,278,387)	-	
		7,562,055	-	-	1,406,048	8,968,103	6,774,912	-	(263,033)	6,511,879	
Cost of activities											
Salaries and related expenses	13	3,330,945	-	-	-	3,330,945	3,538,878	-	-	3,538,878	
Jerusalem Social Rights		244,833	-	-	-	244,833	370,292	-	-	370,292	
Freedom of Movement		307,349	-	-	-	307,349	225,622	-	-	225,622	
Detainee Rights		379,967	-	-	-	379,967	427,793	-	-	427,793	
Violence		567,931	-	-	-	567,931	674,525	-	-	674,525	
Dissemination of Information		58,734	-	-	-	58,734	175,354	-	-	175,354	
Court Watch		123,252	-	-	-	123,252	61,263	-	-	61,263	
Torture		67,611	-	-	-	67,611	61,254	-	-	61,254	
Jerusalem Residency Rights		360,616	-	-	-	360,616	123,727	-	-	123,727	
West Bank Residency Rights		4,403	-	-	-	4,403	1,666	-	-	1,666	
Internal freedman of movement		318,608	-	-	-	318,608	188,307	-	-	188,307	
Overhead		468,861	-	-	-	468,861	457,605	-	-	457,605	
		6,233,110	-	-	-	6,233,110	6,306,286	-	-	6,306,286	
Surplus of income over expenses from activities											
General and administrative expenses	10	1,328,945	-	-	1,406,048	2,734,993	468,626	-	(263,033)	205,593	
Fundraising and spokesperson		(994,388)	-	-	-	(994,388)	(952,594)	-	-	(952,594)	
		(127,766)	-	-	-	(127,766)	(242,787)	-	-	(242,787)	
Surplus (deficit) from activities before finance income (expense) and other income											
Finance (expenses) income	12	206,791	-	-	1,406,048	1,612,839	(726,755)	-	(263,033)	(989,788)	
Refunds of court fees and legal expenses from previous years	11	61,592	-	-	-	61,592	(36,344)	-	-	(36,344)	
		613,015	-	-	-	613,015	628,702	-	-	628,702	
Net surplus (deficit)		881,398	-	-	1,406,048	2,287,446	(134,397)	-	(263,033)	(397,430)	
Net assets at the beginning of the year		783,245	242,324	496,525	1,127,891	2,649,985	955,599	326,716	374,176	3,047,415	
Restricted by HaMoked		(1,649,326)	-	1,649,326	-	-	(122,349)	-	122,349	-	
Additions to fixed assets		(99,157)	99,157	-	-	-	(11,220)	11,220	-	-	
Amounts transferred in respect of depreciation		85,922	(85,922)	-	-	-	95,612	(95,612)	-	-	
Net assets at the end of the year		2,082	255,559	2,145,851	2,533,939	4,937,431	783,245	242,324	496,525	2,649,985	

The notes to the financial statements form an integral part thereof.

Statements of Cash Flows for the Year Ended December 31

	<u>2011</u>	<u>2010</u>
	NIS	NIS
Cash flows from operating activities:		
Surplus (deficit) from activities	881,398	(134,397)
Adjustments to reconcile net deficit to cash provided by operating activities (see Appendix below)	<u>(7,449,382)</u>	<u>(6,937,003)</u>
Net cash used in operations	<u>(6,567,984)</u>	<u>(7,071,400)</u>
Cash flows from investing activities:		
Decrease (increase) in short-term deposits	331,188	(331,188)
Change in marketable securities, net	(427,703)	(70,219)
Additions to fixed assets	<u>(99,157)</u>	<u>(11,220)</u>
Cash flows used in investing activities	<u>(195,672)</u>	<u>(412,627)</u>
Cash flows from financing activities		
Donations received with temporary restrictions	<u>8,512,790</u>	6,015,354
Net increase (decrease) in cash and cash equivalents	1,749,134	(1,468,673)
Cash and cash equivalents at beginning of year	<u>1,270,850</u>	<u>2,739,523</u>
Cash and cash equivalents at end of year	<u>3,019,984</u>	<u>1,270,850</u>
Appendix		
Items not affecting cash flows:		
Depreciation	85,922	95,612
Increase (decrease) in provision for severance pay	31,622	(55,919)
Amounts released from restricted assets for activities	(7,106,742)	(6,278,387)
Revaluation of marketable securities	8,446	(52,308)
Changes in current assets and liabilities:		
Decrease (increase) in accounts receivable	(285,526)	(36,068)
Decrease in accounts payable and accrued expenses	<u>(183,104)</u>	<u>(609,933)</u>
	<u>(7,449,382)</u>	<u>(6,937,003)</u>

The notes to the financial statements form an integral part thereof.

Notes to the Financial Statements as at December 31, 2011

Note 1 - General

- A. The Association "HaMoked - Arab-Jewish Volunteer Center for the Defence of the Individual" ("HaMoked") was founded in October 1989 and was registered as an association at the Not-For-Profit Association Registrar on January 8, 1990. During 1994 the name of the association was changed to HaMoked Center for the Defence of the Individual R.A." and on January 2, 1996 the name of the association was changed to "HaMoked: Center for the Defence of the Individual - Founded by Dr. Lotte Salzberger R.A.".
- B. During its initial years, HaMoked focused its activities on providing assistance to Palestinians injured from Israeli Defence Force activities in the Occupied Territories. Over the years the Association has developed and expanded its activities into additional areas of human rights abuses in the Occupied Territories including torture, family unifications, locating detainees, restrictions on freedom of movement, submission of compensation suits and others.
- C. HaMoked is recognized for tax purposes as a public institution according to section 9(2) of the Income Tax Ordinance.

Note 2 - Significant Reporting and Accounting Policies

- A. The financial statements are prepared in accordance with Statement of Opinion No. 69 of the Institute of Certified Public Accountants in Israel and Standard No. 5 of the Israel Accounting Standards Board in respect of generally accepted accounting principles and reporting by non-profit organizations.

B. Basis of presentation

In October 2001 the Israel Accounting Standards Board (IASB) published Accounting Standard No. 12, "Discontinuance of Adjustments of Financial Statements". Pursuant to this Standard and Accounting Standard No. 17 published in December 2002, the requirement to adjust financial Statements for the effect of inflation was discontinued as of January 1, 2004.

HaMoked presents its financial statements in nominal historical amounts without adjustment for the effect of inflation. Since the effect of applying the provisions of Standards 12 and 17 on HaMoked's financial statements is not material, the financial statements that have been presented in nominal historical amounts are considered to be financial statements prepared in reported amounts.

C. Presentation in US Dollar for the convenience of the reader

For the convenience of the reader, certain notes in the financial statements as at December 31, 2011 and 2010 and for the years then ended, have been presented in Note 14 as supplemental information in US Dollar using the representative exchange rate prevailing at the balance sheet date, US \$1 = NIS 3.821 (December 31, 2010 - \$1 = NIS 3.549). The Dollar amounts presented in these financial statements should not be construed to represent amounts receivable, payable or convertible into Dollar unless otherwise indicated in these statements.

Notes to the Financial Statements as at December 31, 2011

Note 2 - Significant Reporting and Accounting Policies (cont'd)

D. Cash and cash equivalents

Highly liquid investments with an original maturity of three months or less are considered cash equivalents.

E. Marketable securities

Marketable securities are stated at market value as at balance sheet date. Changes in the value of securities are fully recognized on a current basis.

F. Income and expenses

Income and expenses are recorded on the accruals basis.

G. Fixed assets

HaMoked implements Standard No. 27, "Fixed Assets" (hereinafter – Standard 27) of the Israel Accounting Standards Board. Standard 27 prescribes rules for the presentation, measurement and recognition of fixed assets and for the disclosure required in respect thereto.

HaMoked has chosen the cost method as its accounting policy for measuring fixed assets.

Depreciation has been computed by the straight-line method on the basis of the estimated useful lives of the assets according to the following rates:

	<u>%</u>
Leasehold improvements	10
Office furniture and equipment	6-15
Computers and software	33

H. Net assets restricted for usage

Net assets are divided into two groups according to restrictions placed on their usage.

1. Net assets temporarily restricted for usage by external bodies (Primarily donors). All these funds are restricted upon implementation of the activity for which they are designated.
2. Net assets restricted by HaMoked – for which they are no restrictions from external bodies but are restricted by the Board of HaMoked for specific usage and for future activities.

Notes to the Financial Statements as at December 31, 2011

Note 2 - Significant Reporting and Accounting Policies (cont'd)

I. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts revenues and expenses during the reporting period. Actual results may differ from such estimates.

J. Rates of exchange

Transactions in foreign currency during the year are recorded in the accounting records according to the representative exchange rate as of the transaction date. Monetary assets and liabilities in foreign currency are stated on the basis of the representative rate of exchange as at balance sheet date. Differences arising from changes in rates of exchange have been included in the Statement of Activities.

Details of the Consumer Price Index (CPI) and exchange rates:

	<u>December 31,</u> <u>2011</u>	<u>December 31,</u> <u>2010</u>	<u>% of change</u> <u>2011</u>	<u>% of change</u> <u>2010</u>
CPI - in points	104.0	101.41	2.55	2.66
US \$1 - in NIS	3.821	3.549	7.66	(5.99)
Euro 1 - in NIS	4.9381	4.7379	4.22	(12.93)
GBP 1 – in NIS	5.8918	5.492	7.26	(10.12)

K. Impairment in value of assets

HaMoked applies the provisions of Accounting Standard No. 15 – Impairment of Assets. Standard No. 15 sets out procedures which entities must follow in order to ensure that its assets, as reported in its financial statements, are not stated in an amount exceeding their fair value, which is the higher of the net selling price and the present value of the estimated future cash flows expected to be derived from the use and disposal of the asset. The Standard also lays down the rules of presentation and disclosure for assets whose value has decreased.

L. Reclassification

Certain prior year amounts have been reclassified to conform to current year presentation.

Notes to the Financial Statements as at December 31, 2011

Note 3 - Cash and Cash Equivalents

	December 31 2011 NIS	December 31 2010 NIS
Israeli currency	265,469	563,655
Foreign currency	1,046,262	502,233
Israeli currency short-term deposits	1,708,253	204,962
	<u>3,019,984</u>	<u>1,270,850</u>

Note 4 - Marketable Securities and Short-term Deposits

	December 31 2011 NIS	December 31 2010 NIS
Short-term deposits	-	331,188
Government notes	427,890	360,666
Debentures linked to the CPI	625,630	396,567
Unlinked debentures	320,935	197,965
	<u>1,374,455</u>	<u>1,286,386</u>

Note 5 - Accounts Receivable

	December 31 2011 NIS	December 31 2010 NIS
Donations receivable (1)	918,170	611,650
Other receivables	15,967	36,961
	<u>934,137</u>	<u>648,611</u>

(1) Donations receivable

	December 31 2011 NIS	December 31 2010 NIS
EED, Germany	45,776	-
The Belgium Consulate, Jerusalem	246,796	-
NGO Development Center (NDC), Ramallah	106,988	-
Misereor, Germany	440,973	388,508
The Commission of the European Communities, Belgium	77,637	223,142
	<u>918,170</u>	<u>611,650</u>

Notes to the Financial Statements as at December 31, 2011

Note 6 - Fixed Assets

	<u>Leasehold improvements</u> NIS	<u>Office furniture and equipment</u> NIS	<u>Computers and software</u> NIS	<u>Total</u> NIS
Cost				
As at January 1, 2011	456,483	437,756	979,675	1,873,914
Additions	<u>4,640</u>	<u>71,746</u>	<u>22,771</u>	<u>99,157</u>
As at December 31, 2011	<u>461,123</u>	<u>509,502</u>	<u>1,002,446</u>	<u>1,973,071</u>
Accumulated depreciation				
As at January 1, 2011	360,325	326,113	945,152	1,631,590
Charge for year	<u>34,649</u>	<u>18,338</u>	<u>32,935</u>	<u>85,922</u>
As at December 31, 2011	<u>394,974</u>	<u>344,451</u>	<u>978,087</u>	<u>1,717,512</u>
Net book value				
As at December 31, 2011	<u>66,149</u>	<u>165,051</u>	<u>24,359</u>	<u>255,559</u>
As at December 31, 2010	<u>96,158</u>	<u>111,643</u>	<u>34,523</u>	<u>242,324</u>

Note 7 - Payables and Accrued Expenses

	<u>December 31 2011</u> NIS	<u>December 31 2010</u> NIS
Payables for refund of legal expenses	232,782	252,594
Checks payable	-	251,791
Accrued vacation pay	26,803	83,734
Accrued expenses	132,256	80,655
Accounts payable	13,203	27,432
Employees and related expenses	119,383	11,325
	<u>524,427</u>	<u>707,531</u>

Notes to the Financial Statements as at December 31, 2011

Note 8 - Liabilities for Employee Severance Benefits, Net

A. Composition

	<u>December 31 2011</u> NIS	<u>December 31 2010</u> NIS
Liabilities for employee severance	203,080	173,978
Severance funds	(80,803)	(83,323)
	<u>122,277</u>	<u>90,655</u>

- B.** HaMoked's liability for pension and severance pay to its employees is partially covered by regular payments to recognized insurance retirement schemes in the name of the employees. The aforementioned deposited amounts are not included in the balance sheet as they are not in the control or management of HaMoked.

The liability for severance pay included in the balance sheet represents the balance of the liability which is not covered by deposits and/or recognized insurance retirement schemes, as aforementioned.

Notes to the Financial Statements as at December 31, 2011

Note 9 - Movement in Net Assets

A. Donations

	2011			2010		
	Unrestricted NIS	With temporary restrictions		Unrestricted NIS	With temporary restrictions	
		Total NIS	NIS		Total NIS	NIS
1) Broederlijk Delen, Belgium	-	-	-	-	145,414	145,414
2) The Belgium Consulate, Jerusalem	-	496,216	496,216	-	-	-
3) CanFund Initiative, Canadian International Development Association	-	-	-	-	35,815	35,815
4) CCFD, France	-	173,092	173,092	-	203,709	203,709
5) The Commission of the European Communities, Belgium	-	169,231	169,231	-	455,658	455,658
6) EED Evangelischer Entwicklungsdienst, Germany	-	265,173	265,173	-	470,679	470,679
7) Embassy of Finland, Tel Aviv	-	99,620	99,620	-	-	-
8) Ford Israel Fund	362,250	-	362,250	380,030	-	380,030
9) The French Consulate, Jerusalem	-	100,000	100,000	-	94,340	94,340
10) Misereor, Germany	-	771,606	771,606	-	715,198	715,198
11) Nehemia and Naomi Cohen Foundation, USA	-	-	-	19,002	-	19,002
12) NGO Development Center (NDC), Ramallah	-	1,009,456	1,009,456	-	201,480	201,480
13) Norwegian Refugee Council (NRC)	-	1,266,424	1,266,424	-	961,748	961,748
14) Embassy of the Kingdom of the Netherland, Tel Aviv	-	61,309	61,309	-	-	-
15) Oxfam Novib, Netherlands	-	746,920	746,920	-	498,420	498,420
16) Pro Victimis, Switzerland	-	138,474	138,474	-	-	-
17) Royal Norwegian Embassy, Tel Aviv	-	973,350	973,350	-	762,924	762,924
18) Sigrid Rausing Trust, U.K.	-	559,940	559,940	-	558,870	558,870
19) Spanish International Development Cooperation (AECID)	-	729,308	729,308	-	710,492	710,492
20) Swiss Development Cooperation, Jerusalem	-	140,940	140,940	-	-	-
21) Taiwan Foundation for Democracy, Taipei	-	5,322	5,322	-	-	-
22) Trocaire, Ireland	-	101,309	101,309	-	200,607	200,607
23) UNDP	-	705,100	705,100	-	-	-
24) Private and other donations	93,063	-	93,063	97,493	-	97,493
	455,313	8,512,790	8,968,103	496,525	6,015,354	6,511,879

Notes to the Financial Statements as at December 31, 2011

Note 9 - Movement in Net Assets (cont'd)

A. Donations (cont'd)

Details

1. Broederlijk Delen, Belgium

In 2010, € 29,939 was received and designated for HaMoked's "Court Watch" project. The first phase was from 1 October, 2009 - 31 March, 2010, and the project was renewed to cover 1 June, 2010 - 31 May, 2011.

2. The Belgium Consulate, Jerusalem

In 2011, € 49,978 was received and designated towards a legal aid project protecting the right to residency in East Jerusalem. An additional amount of NIS 246,796 was recorded as donations receivable. The project is from 27 October, 2010 – 26 October, 2011.

3. CanFund Initiative, Canadian International Development Association

In 2010, NIS 35,814.88 was the final payment towards capacity building, in support of the organization's legal aid work. The project is from 18 March, 2009 - 31 March, 2010.

4. CCFD (Catholic Committee against Hunger and For Development), France

a. During 2011, € 34,978 was received for financing legal aid activity and for the "Court Watch" project.

b. During 2010, € 39,910 was received for financing legal aid activity and for the "Court Watch" project.

5. Commission of the European Communities, Belgium

a. In 2011, NIS 314, 736 was received as a third payment towards a project on torture with B'Tselem. An additional amount of NIS 77,637 was recorded as donations receivable.

b. In 2010, € 47,397.15 was received as a second payment towards a project on torture with B'Tselem. An additional amount of NIS 223,000 was recorded as donations receivable.

Notes to the Financial Statements as at December 31, 2011

Note 9 - Movement in Net Assets (cont'd)

A. Donations (cont'd)

Details (cont'd)

6. E.E.D. (Evangelischer Entwicklungsdienst) Germany

- a. In 2011, € 44,140 was received for financing a project to provide access to Social Rights for Palestinians living in East Jerusalem. An additional amount of NIS 45,776 was recorded as donations receivable. The project is from 1 July, 2008 - 31 December, 2011.
- b. In 2010:
 - 1. € 99,970 was received for financing a project to provide access to Social Rights for Palestinians living in East Jerusalem. The project is from 1 July, 2008 - 31 December, 2011.
 - 2. € 27,940 was received as the final payment for the "Emergency Human Rights Hotline" project that ran from 1 January, 2004 - 31 December, 2007.

7. Embassy of Finland, Tel Aviv

- a. In 2011, € 20,000 was received towards a legal aid project on guaranteeing access for residents in agricultural areas in the West Bank for the period of 1 January, 2011 - 31 August, 2011.
- b. In 2010, € 4,996 was received as the final payment towards a legal aid project on freedom of movement.

8. Ford Israel Foundation

- a. In 2011, NIS 362,250 was received and designated for financing legal aid activities for the period of 1 June, 2011 - 30 June, 2012, via the New Israel Fund.
- b. In 2010, NIS 380,030 was received and designated for financing legal aid activities for the period of 1 July, 2010 - 30 June, 2011, via the New Israel Fund.

9. The French Consulate, Jerusalem

- a. In 2011, NIS 100,000 was received and designated for a project to ensure access to residency and social rights for Palestinians living in East Jerusalem. The project was from 1 January, 2011 - 31 December, 2011.
- b. In 2010, NIS 94,339.62 was received and designated for a project to ensure access to residency and social rights for Palestinians living in East Jerusalem. The project was from 1 January, 2010 - 31 December, 2010.

Notes to the Financial Statements as at December 31, 2011

Note 9 - Movement in Net Assets (cont'd)

A. Donations (cont'd)

Details (cont'd)

10. Misereor, Germany

- a. In 2011, € 145,000 was received and designated towards legal aid activity, for the final year of a three year project, from 1 January, 2009 - 31 December, 2011. An additional amount of NIS 440,973 was recorded as donations receivable.
- b. In 2010, € 70,000 was received and designated towards legal aid activity, for the second year of a three year project, from 1 January, 2009 - 31 December, 2011.

11. Nehemia and Naomi Cohen Foundation, USA

In 2010, NIS 19.001 was received towards legal aid activities, via the New Israel Fund.

12. NGO Development Center (NDC), Ramallah

The pooled funds of the Swiss Agency for Development and Cooperation (SDC), the Royal Danish Representative Office to the PA, the Swedish International Development Cooperation (Sida) and the Netherlands Representative Office to the PA are channeled through the NGO Development Center (NDC) - HR/GG secretariat.

- a. In 2011, US\$ 251,758 was received towards financing HaMoked's legal aid program. This project is from 1 May, 2010 - 31 December, 2012. An additional amount of NIS 106,988 was recorded as donation receivable.
- b. In 2010, US\$ 107,821 was received towards financing HaMoked's legal aid program. This project is from 1 May, 2010 - 31 December, 2012.

Notes to the Financial Statements as at December 31, 2011

Note 9 - Movement in Net Assets (cont'd)

A. Donations (cont'd)

Details (cont'd)

13. Norwegian Refugee Council (NRC)

a. In 2011:

1. NIS 482,392 and US\$ 61,380 was received to complete the third phase of the project on internal freedom of movement. The project was implemented between 21 October, 2010 - 20 October, 2011.
2. US\$ 99,814 was received as the first payment for the fourth phase of the project on internal freedom of movement. The project will be implemented between 21 October, 2011 - 15 February, 2012.

b. In 2010:

1. NIS 252,337 was received to complete the pilot project on internal freedom of movement. The project was implemented between 21 September, 2009 - 20 April, 2010.
2. NIS 525,904 was received to complete the second phase of the project on internal freedom of movement. The project was implemented between 21 April, 2010 - 20 October, 2010.
3. NIS 183,507 was received as the first payment for the third phase of the project on internal freedom of movement. The project will be implemented between 21 October, 2010 - 20 October, 2011.

14. Embassy of the Kingdom of the Netherlands, Tel Aviv

In 2011, € 12,396 was received towards a legal aid project on protecting the rights of Palestinian detainees and their families. The project is from 15 December, 2011 – 15 December, 2012.

15. Oxfam Novib, Netherlands

- a. In 2011, € 150,000 was received and designated towards the gendered reality borne by women, children and family ties in Jerusalem. The project is from 1 July, 2010 - 31 December, 2012.
- b. In 2010, € 100,000 was received and designated towards the gendered reality borne by women, children and family ties in Jerusalem. The project is from 1 July, 2010 - 31 December, 2012.

Notes to the Financial Statements as at December 31, 2011

Note 9 - Movement in Net Assets (cont'd)

A. Donations (cont'd)

Details (cont'd)

16. Pro Victimis, Switzerland

In 2011, €28,000 was received and designated towards a project to provide access to Social Rights for Palestinians living in East Jerusalem. The project is from 1 January, 2012 - 31 December, 2013.

17. Royal Norwegian Embassy, Tel Aviv

a. In 2011, NKR 1,500,000 was received and designated for the legal aid program.

b. In 2010, NIS 762,924.23 was received and designated for the legal aid program.

18. Sigrid Rausing, United Kingdom

a. In 2011, £ 100,000 was the second payment received and designated for the legal aid program. The project is from 1 March, 2010 - 28 February, 2013.

b. In 2010, £ 100,000 was the first payment received and designated for the legal aid program. The project is from 1 March, 2010 - 28 February, 2013.

19. Spanish International Development Cooperation (AECID)

a. In 2011, € 147,690 was received and designated for a project to ensure access to residency and social rights for Palestinians living in East Jerusalem. The project is from 31 December, 2011 - 30 June, 2013.

b. In 2010, € 147,690 was received and designated for a project to ensure access to residency and social rights for Palestinians living in East Jerusalem. The project is from 1 August, 2010 - 31 January, 2012.

20. Swiss Development Cooperation, Jerusalem

In 2011, € 34,994.55 was received towards the legal aid program.

21. Taiwan Foundation for Democracy, Taipei

In 2011, US\$ 1,500 was received towards the "Court Watch" program. The project is from 1 August 2011 - 31 July 2012.

Notes to the Financial Statements as at December 31, 2011

Note 9 - Movement in Net Assets (cont'd)

A. Donations (cont'd)

Details (cont'd)

22. Trocaire, Ireland

- a. In 2011, € 19,983 was contributed towards the legal aid program.
- b. In 2010:
 - 1. € 19,983 was contributed towards the legal aid program.
 - 2. € 17,566 was contributed to the legal aid - detainee rights program.

23. UNDP, Jerusalem

In 2011, US\$ 200,000 was contributed towards the legal aid program "Access to Justice", for the period of June, 2011 – May, 2012.

24. Private and Other Donations

- a. In 2011:
 - 1. NIS 5,336 was received from private donors through the New Israel Fund.
 - 2. NIS 845 were received for ongoing activities.
 - 3. US\$ 22,000 were received from Ms. Carole Zabar for ongoing activities.
- b. In 2010:
 - 1. NIS 91,346 was received for ongoing activities.
 - 2. € 1,264 was contributed by SIVMO, Netherlands towards legal aid.
 - 3. NIS 10,916 was received from private donors through the New Israel Fund.

Notes to the Financial Statements as at December 31, 2011

Note 9 - Movement in Net Assets (cont'd)

B. Composition of temporary restricted net assets and restricted by HaMoked

1. Temporary restricted net assets

	With temporary restriction December 31 2010		Received in 2011		Released in 2011		With temporary restriction December 31 2011	
	NIS		NIS		NIS		NIS	
Broederlijk Delen, Belgium	70,000	-	-	70,000	-	-	-	-
The Belgium Consulate, Jerusalem	-	496,216	496,216	496,216	-	-	-	-
CCFD, France	-	173,092	173,092	73,092	-	100,000	-	100,000
The Commission of the European Communities, Belgium	-	169,231	169,231	169,231	-	-	-	-
EED, Germany	-	265,173	265,173	265,173	-	-	-	-
Embassy of Finland, Tel Aviv	-	99,620	99,620	99,620	-	-	-	-
The French Consulate, Jerusalem	-	100,000	100,000	100,000	-	-	-	-
Misereor, Germany	-	771,606	771,606	771,606	-	-	-	-
NGO Development Center (NDC), Ramallah	-	1,009,456	1,009,456	1,009,456	-	-	-	-
Norwegian Refugee Council (NRC)	-	1,266,424	1,266,424	1,122,424	-	144,000	-	144,000
Embassy of Netherland, Tel Aviv	-	61,309	61,309	-	-	61,309	-	61,309
Oxfam Novib	199,368	746,920	746,920	746,288	-	200,000	-	200,000
Pro victimis Switzerland	-	138,474	138,474	-	-	138,474	-	138,474
Royal Norwegian Embassy, Tel Aviv	-	973,350	973,350	973,350	-	-	-	-
Sigrid Rausing Trust, UK	240,000	559,940	559,940	399,940	-	400,000	-	400,000
Spanish International Development Cooperation (AECID)	618,523	729,308	729,308	418,523	-	929,308	-	929,308
Swiss Development Cooperation, Jerusalem	-	140,940	140,940	140,940	-	-	-	-
Taiwan Foundation for Democracy, Taipei	-	5,322	5,322	5,322	-	-	-	-
Trocaire, Ireland	-	101,309	101,309	-	-	101,309	-	101,309
UNDP	-	705,100	705,100	245,561	-	459,539	-	459,539
	<u>1,127,891</u>	<u>8,512,790</u>	<u>8,512,790</u>	<u>7,106,742</u>	-	<u>2,533,939</u>	-	<u>2,533,939</u>

Notes to the Financial Statements as at December 31, 2011

Note 9 - Movement in Net Assets (cont'd)

B. Composition of temporary restricted net assets and restricted by HaMoked (cont'd)

2. Restricted by Hamoked

	Restricted by HaMoked December 31 2010 NIS	Restricted in 2011 NIS	Released in 2011 NIS	Restricted by HaMoked December 31 2011 NIS
Donations:				
Nehemia and Naomi Cohen Foundation, USA	19,002	-	19,002	-
Ford Israel Foundation	380,030	362,250	-	742,280
Private and other donations	97,493	93,063	-	190,556
	496,525	455,313	19,002	932,836
Other income:				
Refunds of court fees and legal expenses	-	1,213,015	-	1,213,015
	496,525	1,668,328	19,002	2,145,851

Notes to the Financial Statements as at December 31, 2011

Note 10 - General and Administration Expenses

	For the year ended December 31	
	2011	2010
	NIS	NIS
Salaries and related expenses	517,052	455,409
Professional fees	214,094	265,455
Telephone and mail	48,672	73,158
Office rent and insurance	63,114	61,897
Office expenses	24,685	18,139
Refreshments	13,580	17,050
Advertisement	37,242	-
Depreciation	17,749	19,019
Legal	29,263	36,054
Taxes and charges	1,800	1,586
Other expenses	9,388	4,827
	994,388	952,594

Note 11 - Refund of Legal Expenses and Court Fees from Previous Years

Refunds are receipts from the legal activity of HaMoked. The activity requires payments of fees, and deposit guarantees at the court treasury. At the end of each legal process, the court occasionally instructs the repayment of some of those amounts deposited or paid. In certain years the repayment of those amounts were frozen but the publication of new regulations in 2007 allowed these repayments to be made. In 2011, NIS 613,015 was received in respect of 2004 - 2011. Amounts received are restricted by HaMoked (see note 9B).

Note 12 - Finance (income) expenses

	For the year ended December 31	
	2011	2010
	NIS	NIS
Bank commissions	20,659	26,566
Interest income	(45,490)	(1,566)
Exchange differences	(11,826)	80,140
Interest received and revaluation of marketable securities	(24,935)	(68,796)
	(61,592)	36,344

Notes to the Financial Statements as at December 31, 2011

Note 13 - Salaries and related expenses

	For the year ended December 31	
	2011	2010
	NIS	NIS
Client advocacy	778,029	862,371
Client intake	784,177	798,478
Legal department	1,166,970	1,188,810
Information department	627,078	689,219
Update of social benefits provisions	(25,309)	-
	3,330,945	3,538,878

Note 14 - Supplemental Information (Convenience Translation)

In accordance with local legal requirements, the HaMoked maintains its accounting records in New Israel Shekels. However, for the convenience of the Donors certain notes in, the financial statements as at December 31, 2011 and 2010, and for the years then ended, have been translated in to US Dollar using the representative exchange rate as at December 31, 2011 and December 31, 2010, respectively as explained in Note 2C.

The translation into US Dollar should not be construed as a representation that the Shekel amounts actually represent Dollar or could be converted thereto.

A. Donations receivable

	December 31	December 31
	2011	2010
	US Dollar	US Dollar
EED, Germany	11,980	-
The Belgium Consulate, Jerusalem	64,589	-
NGO Development Center (NDC), Ramallah	28,000	-
Misereor, Germany	115,408	109,470
The Commission of the European Communities, Belgium	20,319	62,875
	240,296	172,345

Notes to the Financial Statements as at December 31, 2011

Note 14 - Supplemental Information (Convenience Translation) (cont'd)

B. Temporary restricted net assets

	With temporary restriction December 31 2010	Received in 2011	Released in 2011	With temporary restriction December 31 2011
	US Dollar	US Dollar	US Dollar	US Dollar
Broederlijk Delen, Belgium	18,320	-	18,320	-
The Belgium Consulate, Jerusalem	-	129,865	129,865	-
CCFD, France	-	45,300	19,129	26,171
The Commission of the European Communities, Belgium	-	44,290	44,290	-
EED, Germany	-	69,399	69,399	-
Embassy of Finland, Tel Aviv	-	26,072	26,072	-
The French Consulate, Jerusalem	-	26,171	26,171	-
Misereor, Germany	-	201,938	201,938	-
NGO Development Center (NDC), Ramallah	-	264,186	264,186	-
Norwegian Refugee Council (NRC)	-	331,438	293,751	37,687
Embassy of Netherland, Tel Aviv	-	16,045	-	16,045
Oxfam Novib	52,177	195,478	195,312	52,343
Pro victimis Switzerland	-	36,240	-	36,240
Royal Norwegian Embassy, Tel Aviv	-	254,737	254,737	-
Sigrid Rausing Trust, UK	62,811	146,543	104,669	104,685
Spanish International Development Cooperation (AECID)	161,875	190,868	109,532	243,211
Swiss Development Cooperation, Jerusalem	-	36,886	36,886	-
Taiwan Foundation for Democracy, Taipei	-	1,394	1,394	-
Trocaire, Ireland	-	26,514	-	26,514
UNDP	-	184,533	64,266	120,267
	295,183	2,227,897	1,859,917	663,163

Notes to the Financial Statements as at December 31, 2011

Note 14 - Supplemental Information (Convenience Translation) (cont'd)

C. Cost of Activities

	December 31 2011	December 31 2010
	US Dollar	US Dollar
Cost of activities		
Salaries and related expenses	871,747	997,148
Jerusalem Social Rights	64,076	104,337
Freedom of Movement	80,437	63,573
Detainee Rights	99,442	120,539
Violence	148,634	190,061
Dissemination of Information	15,371	49,409
Court Watch	32,256	17,262
Torture	17,695	17,260
Jerusalem Residency Rights	94,377	34,862
West Bank Residency Rights	1,152	469
Internal freedman of movement	83,383	53,059
Overhead	122,706	128,939
Total cost of activities	1,631,276	1,776,918
General and administrative expenses	260,243	268,412
Fundraising and spokesperson	33,438	68,410
Total costs not including finance expenses	1,924,957	2,113,740