

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

**Financial Statements
As at December 31, 2012**

Financial Statements as at December 31, 2012

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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, 2012 and 2011 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 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, 2012 and 2011 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.)

June 24, 2013

Balance Sheets as at December 31

	Note	2012 NIS	2011 NIS
Current assets			
Cash and cash equivalents	3	1,937,311	3,019,984
Short-term deposits		756,926	-
Marketable securities	4	1,676,065	1,374,455
Accounts receivable	5	688,138	934,137
		<u>5,058,440</u>	<u>5,328,576</u>
Fixed assets			
	6	<u>204,638</u>	<u>255,559</u>
		<u>5,263,078</u>	<u>5,584,135</u>
Current liabilities			
Payables and accrued expenses	7	<u>614,224</u>	<u>524,427</u>
Liabilities for employee severance benefits, net			
	8	<u>122,639</u>	<u>122,277</u>
Net assets			
Net assets without restrictions:			
Unrestricted		441,413	2,082
Used for fixed assets		204,638	255,559
Restricted by HaMoked		<u>2,927,616</u>	<u>2,145,851</u>
Total net assets without restriction		3,543,667	2,403,492
Net assets with temporary restrictions	9	<u>982,548</u>	<u>2,533,939</u>
Total net assets		<u>4,526,215</u>	<u>4,937,431</u>
		<u>5,263,078</u>	<u>5,584,135</u>



Prof. Yosef Schwartz
 Chairperson of the Board
 Member of the Board



Mr. Noah Morris
 Treasurer
 Member of the Board

June 24, 2013

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	2012				2011			
		Unrestricted	Restricted	With	Total	Unrestricted	Restricted	With	Total
		NIS	by HaMoked	temporary	NIS	NIS	by HaMoked	temporary	NIS
Net assets at the beginning of the year		2,082	2,145,851	2,533,939	4,937,431	783,245	496,525	1,127,891	2,649,985
Income from activities									
Donations	9	311,945	-	6,680,383	6,992,328	455,313	-	8,512,790	8,968,103
Net assets released from restriction	9	8,231,774	-	(8,231,774)	-	7,106,742	-	(7,106,742)	-
		8,545,801	2,145,851	982,548	11,929,759	8,345,300	496,525	2,533,939	11,618,088
Cost of activities									
Salaries and related expenses	13	3,959,623	-	-	3,959,623	3,330,945	-	-	3,330,945
Jerusalem Social Rights		147,365	-	-	147,365	244,833	-	-	244,833
Freedom of Movement		437,939	-	-	437,939	307,349	-	-	307,349
Detainee Rights		479,672	-	-	479,672	379,967	-	-	379,967
Violence		531,514	-	-	531,514	567,931	-	-	567,931
Dissemination of Information		68,160	-	-	68,160	58,734	-	-	58,734
Court Watch		29,338	-	-	29,338	123,252	-	-	123,252
Torture		29,458	-	-	29,458	67,611	-	-	67,611
Jerusalem Residency Rights		396,479	-	-	396,479	360,616	-	-	360,616
West Bank Residency Rights		-	-	-	-	4,403	-	-	4,403
Internal Freedom of Movement		459,446	-	-	459,446	318,608	-	-	318,608
Overhead		481,413	-	-	481,413	468,861	-	-	468,861
		7,020,407	-	-	7,020,407	6,233,110	-	-	6,233,110
Surplus of income over expenses from Activities		1,525,394	2,145,851	982,548	4,909,352	2,112,190	496,525	2,533,939	5,384,978
General and administrative expenses	10	(1,126,389)	-	-	(1,126,389)	(994,388)	-	-	(994,388)
Fundraising and spokesperson		(174,213)	-	-	(174,213)	(127,766)	-	-	(127,766)
Surplus from activities before finance income and other income		224,792	2,145,851	982,548	3,608,750	990,036	496,525	2,533,939	4,262,824
Finance income	12	135,700	-	-	135,700	61,592	-	-	61,592
Refunds of court fees and legal expenses from previous years		781,765	-	-	781,765	613,015	-	-	613,015
Net surplus	11	1,142,257	2,145,851	982,548	4,526,215	1,664,643	496,525	2,533,939	4,937,431
Restricted by HaMoked		(781,765)	781,765	-	-	(1,649,326)	-	-	-
Additions to fixed assets		(14,073)	-	-	-	(99,157)	-	-	-
Amounts transferred in respect of depreciation		64,994	-	-	-	85,922	-	-	-
Net assets at the end of the year		441,413	2,927,616	982,548	4,526,215	2,082	2,145,851	2,533,939	4,937,431

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

Statements of Cash Flows for the Year Ended December 31

	2012	2011
	NIS	NIS
Cash flows from operating activities:		
Surplus from activities	1,140,175	881,398
Adjustments to reconcile net deficit to cash provided by operating activities (see Appendix below)	(7,912,644)	(7,449,382)
Net cash used in operations	(6,772,469)	(6,567,984)
Cash flows from investing activities:		
Change in short-term deposits	(756,926)	331,188
Change in marketable securities, net	(219,588)	(427,703)
Additions to fixed assets	(14,073)	(99,157)
Cash flows used in investing activities	(990,587)	(195,672)
Cash flows from financing activities:		
Donations received with temporary restrictions	6,680,383	8,512,790
Net increase (decrease) in cash and cash equivalents	(1,082,673)	1,749,134
Cash and cash equivalents at beginning of year	3,019,984	1,270,850
Cash and cash equivalents at end of year	1,937,311	3,019,984
Appendix		
Items not affecting cash flows:		
Depreciation	64,994	85,922
Increase in provision for severance pay	362	31,622
Amounts released from restricted assets for activities	(8,231,774)	(7,106,742)
Revaluation of marketable securities	(82,022)	8,446
Changes in current assets and liabilities:		
Decrease (increase) in accounts receivable	245,999	(285,526)
Increase (decrease) in accounts payable and accrued expenses	89,797	(183,104)
	(7,912,644)	(7,449,382)

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

Notes to the Financial Statements as at December 31, 2012

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, 2012 and 2011 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, \$1 = NIS 3.733 (December 31, 2011 - \$1 = NIS 3.821). 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, 2012

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:

	%
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, 2012

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>2012</u>	<u>December 31,</u> <u>2011</u>	<u>% of change</u> <u>2012</u>	<u>% of change</u> <u>2011</u>
CPI - in points	105.7	104.0	1.63	2.55
US \$1 - in NIS	3.733	3.821	(2.3)	7.66
Euro 1 - in NIS	4.9206	4.9381	(0.04)	4.22
GBP 1 -- in NIS	6.0365	5.8918	2.46	7.26

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, 2012

Note 3 - Cash and Cash Equivalents

	December 31 2012	December 31 2011
	NIS	NIS
Israeli currency	241,520	265,469
Foreign currency	449,312	1,046,262
Israeli currency short-term deposits	1,246,479	1,708,253
	<u>1,937,311</u>	<u>3,019,984</u>

Note 4 - Marketable Securities

	December 31 2012	December 31 2011
	NIS	NIS
Government notes	786,671	427,890
Debentures linked to the CPI	34,067	625,630
Unlinked debentures	855,327	320,935
	<u>1,676,065</u>	<u>1,374,455</u>

Note 5 - Accounts Receivable

	December 31 2012	December 31 2011
	NIS	NIS
Donations receivable (1)	600,239	918,170
Other receivables	87,899	15,967
	<u>688,138</u>	<u>934,137</u>

(1) Donations receivable

	December 31 2012	December 31 2011
	NIS	NIS
Embassy of the Kingdom of the Netherlands, Tel Aviv	52,081	-
EED, Germany	-	45,776
The Belgium Consulate, Jerusalem	-	246,796
NGO Development Center (NDC), Ramallah	105,147	106,988
Misereor, Germany	443,011	440,973
The Commission of the European Communities, Belgium	-	77,637
	<u>600,239</u>	<u>918,170</u>

Notes to the Financial Statements as at December 31, 2012

Note 6 - Fixed Assets

	<u>Leasehold improvements</u>	<u>Office furniture and equipment</u>	<u>Computers and software</u>	<u>Total</u>
	NIS	NIS	NIS	NIS
Cost				
As at January 1, 2012	461,123	509,502	1,002,446	1,973,071
Additions	-	7,605	6,468	14,073
As at December 31, 2012	461,123	517,107	1,008,914	1,987,144
Accumulated depreciation				
As at January 1, 2012	394,974	344,451	978,087	1,717,512
Charge for year	29,893	19,707	15,394	64,994
As at December 31, 2012	424,867	364,158	993,481	1,782,506
Net book value				
As at December 31, 2012	36,256	152,949	15,433	204,638
As at December 31, 2011	66,149	165,051	24,359	255,559

Note 7 - Payables and Accrued Expenses

	<u>December 31 2012</u>	<u>December 31 2011</u>
	NIS	NIS
Payables for refund of legal expenses	247,349	232,782
Accrued vacation pay	64,645	26,803
Accrued expenses	133,605	132,256
Accounts payable	16,244	13,203
Employees and related expenses	152,381	119,383
	614,224	524,427

Notes to the Financial Statements as at December 31, 2012

Note 8 - Liabilities for Employee Severance Benefits, Net

A. Composition

	<u>December 31 2012</u>	<u>December 31 2011</u>
	<u>NIS</u>	<u>NIS</u>
Liabilities for employee severance	210,377	203,080
Severance funds	(87,738)	(80,803)
	<u>122,639</u>	<u>122,277</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, 2012

Note 9 - Movement in Net Assets

	2012			2011		
	Unrestricted NIS	With temporary restrictions		Unrestricted NIS	With temporary restrictions	
		NIS	NIS		NIS	NIS
1) Broederlijk Delen, Belgium	-	293,994	293,994	-	-	-
2) The Belgium Consulate, Jerusalem	-	-	-	-	496,216	496,216
3) CCFD, France	-	170,884	170,884	-	173,092	173,092
4) The Commission of the European Communities, Belgium	-	(67,816)	(67,816)	-	169,231	169,231
5) EED Evangelischer Entwicklungsdienst, Germany	-	-	-	-	265,173	265,173
6) Embassy of Finland, Tel Aviv	-	-	-	-	99,620	99,620
7) Embassy of the Kingdom of the Netherlands, Tel Aviv	-	52,080	52,080	-	61,309	61,309
8) Ford Israel Fund	297,713	-	297,713	362,250	-	362,250
9) The French Consulate, Jerusalem	-	99,010	99,010	-	100,000	100,000
10) May 18 Memorial Foundation	-	13,294	13,294	-	-	-
11) Misereor, Germany	-	446,694	446,694	-	771,606	771,606
12) Firedoll Foundation	-	46,250	46,250	-	-	-
13) NGO Development Center (NDC), Ramallah	-	1,775,122	1,775,122	-	1,009,456	1,009,456
14) Norwegian Refugee Council (NRC)	-	1,192,734	1,192,734	-	1,266,424	1,266,424
15) Oxfam Novib, Netherlands	-	515,470	515,470	-	746,920	746,920
16) Pro Victimis, Switzerland	-	-	-	-	138,474	138,474
17) Royal Norwegian Embassy, Tel Aviv	-	1,271,913	1,271,913	-	973,350	973,350
18) Sigrid Rausing Trust, U.K.	-	597,350	597,350	-	559,940	559,940
19) Spanish International Development Cooperation (AECID)	-	-	-	-	729,308	729,308
20) Swiss Development Cooperation, Jerusalem	-	-	-	-	140,940	140,940
21) Taiwan Foundation for Democracy, Taipei	-	3,872	3,872	-	5,322	5,322
22) Trocaire, Ireland	-	98,892	98,892	-	101,309	101,309
23) UNDP	-	170,640	170,640	-	705,100	705,100
24) Private and other donations	14,232	-	14,232	93,063	-	93,063
	311,945	6,680,383	6,992,328	455,313	8,512,790	8,968,103

Notes to the Financial Statements as at December 31, 2012

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

1. Broederlijk Delen, Belgium

a. In 2012, € 29,939 was received in December and designated for HaMoked's "Court Watch" project to cover 1 June, 2012 – 31 May, 2013.

b. In 2012, € 29,930 was received in January and designated for HaMoked's "Court Watch" project to cover 1 June, 2011 – 31 May, 2012

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. The project was from 27 October, 2010 – 26 October, 2011.

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

a. During 2012, € 34,970 was received for financing legal aid activity and for the "Court Watch" project.

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

4. Commission of the European Communities, Belgium

a. In 2012, € 1,983 was received as the final payment towards a project on torture with B'Tselem, 2009 – 2011.

b. In 2011, NIS 314, 735 was received as a third payment towards a project on torture with B'Tselem, 2009 – 2011.

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

a. In 2012, € 8,770 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.

b. In 2011, € 44,140 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.

6. Embassy of Finland, Tel Aviv

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.

Notes to the Financial Statements as at December 31, 2012

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

7. 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.

8. The Ford Foundation

a. In 2012, NIS 297,712.50 was received and designated for financing legal aid activities for the period of 1 July, 2012 – 31 December, 2013, via the New Israel Fund.

b. 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.

9. The French Consulate, Jerusalem

a. In 2012, NIS 99,009.09 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, 2012 – 31 December, 2012.

b. 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.

10. May 18 Memorial Foundation

In 2012, US\$ 3,507.27 was received and designated for a legal aid project on protecting the rights of Palestinian detainees and their families. The project is from 1 May, 2012 – 30 April, 2014.

11. Misereor, Germany

a. In 2012, € 89,968 was received and designated towards legal aid activity, for the first year of a three year project, from 1 January, 2012 – 31 December, 2014.

b. 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.

12. Firedoll Foundation

a. During 2012, NIS 46,260 was received from Sandor and Faye Straus of the Firedoll Foundation through the New Israel Fund.

b. During 2011, NIS 5,336.55 was received from private donors through the New Israel Fund.

Notes to the Financial Statements as at December 31, 2012

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

13. 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 2012:
 - i. US\$ 279,717 was received towards financing HaMoked's legal aid program. This project is from 1 May, 2010 – 31 December, 2012.
 - ii. US\$ 173,469 was received towards financing HaMoked's legal aid program. This top-up period covered 1 January, 2012 – 31 December, 2012.
- b. In 2011, US\$ 251,758 was received towards financing HaMoked's legal aid program. This project is from 1 May, 2010 – 31 December, 2012.

14. Norwegian Refugee Council

- a. In 2012:
 - i. US\$ 40,000 was received to complete the fourth phase of the project on internal freedom of movement. The project was implemented between 21 October, 2011 – 15 February, 2012.
 - ii. US\$ 159,076 was received to complete the fifth phase of the project on internal freedom of movement. The project was implemented between 16 February, 2012 – 15 August, 2012.
 - iii. US\$ 114,815 was received for the sixth phase of the project on internal freedom of movement. The project will be implemented between 16 August, 2012 – 31 January, 2013.
- b. In 2011:
 - i. 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.
 - ii. 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.

Notes to the Financial Statements as at December 31, 2012

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

15. Oxfam Novib

- a. In 2012:
 - i. € 50,000 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.
 - ii. € 55,000 was received and designated towards the gendered reality borne by women, children and family ties in Jerusalem. The project is from 1 January, 2013 – 31 December, 2013.
- b. 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.

16. Pro Victimis, Switzerland

- a. 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 2012, NIS 1,271,912.57 was received and designated for the legal aid program.
- b. In 2011, kr 1,500,000 was received and designated for the legal aid program.

18. Sigrid Rausing, United Kingdom

- a. In 2012, £ 100,000 was the final payment received and designated for the legal aid program. The project is from 1 March, 2010 – 28 February, 2013.
- b. 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.

19. Spanish International Development Cooperation (AECID)

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, 2012.

20. Swiss Development Cooperation, Jerusalem

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

Notes to the Financial Statements as at December 31, 2012

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

21. Taiwan Foundation for Democracy, Taipei

- a. In 2012, US\$ 1,000 was received towards the "Court Watch" program. The project is from 1 August, 2011 – 31 July, 2012.
- b. In 2011, US\$ 1,500 was received towards the "Court Watch" program. The project is from 1 August, 2011 – 31 July, 2012.

22. Trocaire, Ireland

- a. In 2012, € 19,975 was contributed towards the legal aid program.
- b. In 2011, € 19,983 was contributed towards the legal aid program.

23. UNDP, Jerusalem

- a. In 2012, US\$ 45,000 was contributed towards the legal aid program "Access to Justice". The project is from 15 August, 2012 – 14 August, 2013.
- b. In 2011, US\$ 200,000 was contributed towards the legal aid program "Access to Justice". The project is from 1 June, 2011 – 31 May, 2012.

24. Private and Other Donations

- a. In 2012:
 - i. US\$ 700 and NIS 500 were received for ongoing activities.
 - ii. € 1,504 was contributed by SIVMO, The Netherlands towards legal aid.
 - iii. NIS 4,385 was received from private donors through the New Israel Fund.
- b. In 2011, NIS 845 and US\$ 22,000 were received for ongoing activities.

Notes to the Financial Statements as at December 31, 2012

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

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

1. Temporary restricted net assets

	With temporary restriction December 31 2011	Received in 2012		Released in 2012		With temporary restriction December 31 2012
	NIS	NIS	NIS	NIS	NIS	NIS
Broederlijk Delen, Belgium	-	293,994	175,000	175,000	118,994	
CCFD, France	100,000	170,884	270,884	270,884	-	
The Commission of the European Communities, Belgium – canceled donation	-	(67,816)	(67,816)	(67,816)	-	
The French Consulate, Jerusalem	-	99,010	99,010	99,010	-	
May 18 Memorial Foundation	-	13,294	13,294	13,294	-	
Misereor, Germany	-	446,694	446,694	446,694	-	
Firedoll Foundation	-	46,250	46,250	46,250	-	
NGO Development Center (NDC), Ramallah	-	1,775,122	1,775,122	1,775,122	-	
Norwegian Refugee Council (NRC)	144,000	1,192,734	1,206,734	1,206,734	130,000	
Embassy of the Kingdom of the Netherlands, Tel Aviv	61,309	52,080	113,389	113,389	-	
Oxfam Novib	200,000	515,470	442,945	442,945	272,525	
Pro victimis Switzerland	138,474	-	138,474	138,474	-	
Royal Norwegian Embassy, Tel Aviv	-	1,271,913	1,271,913	1,271,913	-	
Sigrid Rausing Trust, UK	400,000	597,350	897,790	897,790	99,560	
Spanish International Development Cooperation (AECID)	929,308	-	608,040	608,040	321,268	
Taiwan Foundation for Democracy, Taipei	-	3,872	3,872	3,872	-	
Trocaire, Ireland	101,309	98,892	160,000	160,000	40,201	
UNDP	459,539	170,640	630,179	630,179	-	
	<u>2,533,939</u>	<u>6,680,383</u>	<u>8,231,774</u>	<u>8,231,774</u>	<u>982,548</u>	

Notes to the Financial Statements as at December 31, 2012

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

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

2. Restricted by HaMoked

	Restricted by HaMoked December 31 2011 NIS	Restricted in 2012 NIS	Released in 2012 NIS	Restricted by HaMoked December 31 2012 NIS
Donations:				
Ford Israel Fund	742,280	-	-	742,280
Private and other donations	190,556	-	-	190,556
	932,836	-	-	932,836
Other income:				
Refunds of court fees and legal expenses	1,213,015	781,765	-	1,994,780
	<u>2,145,851</u>	<u>781,765</u>	-	<u>2,927,616</u>

Notes to the Financial Statements as at December 31, 2012

Note 10 - General and Administration Expenses

	For the year ended December 31	
	2012	2011
	NIS	NIS
Salaries and related expenses	684,108	534,801
Professional fees	165,071	214,094
Telephone and mail	58,722	48,672
Office rent and insurance	57,378	63,114
Office expenses	20,366	24,685
Refreshments	17,188	13,580
Advertisement	66,384	37,242
Depreciation	12,142	17,749
Legal	28,239	29,263
Taxes and charges	2,212	1,800
Other expenses	14,579	9,388
	<u>1,126,389</u>	<u>994,388</u>

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

Represents refunds 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 2012, NIS 781,765 was refunded in respect of 2004 - 2012. Amounts received are restricted by HaMoked (see note 9B).

Note 12 - Finance Income (Expenses)

	For the year ended December 31	
	2012	2011
	NIS	NIS
Bank commissions	(26,320)	(20,659)
Interest income	104,688	45,490
Exchange differences	(25,602)	11,826
Interest received and revaluation of marketable securities	82,934	24,935
	<u>135,700</u>	<u>61,592</u>

Notes to the Financial Statements as at December 31, 2012

Note 13 - Salaries and Related Expenses

	For the year ended December 31	
	2012	2011
	NIS	NIS
Client advocacy	657,631	752,720
Client intake	1,072,316	784,177
Legal department	1,417,702	1,166,970
Research and dissemination of information	430,164	345,492
Internal information, data processing, IT	381,810	281,586
	<u>3,959,623</u>	<u>3,330,945</u>

Note 14 - Supplemental Information (Convenience Translation)

These financial statements are prepared in accordance with Israeli GAAP, as required for not-for-profit organizations in Israel. HaMoked applies the standards explained in Note 2A. Since IFRS is only required in Israel for publicly traded companies, and does not provide accounting treatment for not-for-profit organizations, HaMoked does not apply these standards.

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, 2012 and 2011, and for the years then ended, have been translated into US Dollars using the representative exchange rate as at December 31, 2012 and December 31, 2011, respectively, as explained in Note 2C.

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

A. Donations receivable

	December 31	December 31
	2012	2011
	US Dollar	US Dollar
Embassy of the Kingdom of the Netherlands, Tel Aviv	13,952	-
EED, Germany	-	11,980
The Belgium Consulate, Jerusalem	-	64,589
NGO Development Center (NDC), Ramallah	28,000	28,000
Misereor, Germany	118,674	115,408
The Commission of the European Communities, Belgium	-	20,319
	<u>160,626</u>	<u>240,296</u>

Notes to the Financial Statements as at December 31, 2012

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

B. Temporarily restricted net assets

	With temporary restriction December 31 2011	Received in 2012	Released in 2012	With temporary restriction December 31 2012
	US Dollar	US Dollar	US Dollar	US Dollar
Broederlijk Delen, Belgium	-	78,755	46,879	31,876
CCFD, France	26,171	45,777	71,948	-
The Commission of the European Communities, Belgium	-	(18,167)	(18,167)	-
The French Consulate, Jerusalem	-	26,523	26,523	-
May 18 Memorial Foundation	-	3,561	3,561	-
Misereor, Germany	-	119,661	119,661	-
Firedoll Foundation	-	12,389	12,389	-
NGO Development Center (NDC), Ramallah	-	475,522	475,522	-
Norwegian Refugee Council (NRC)	38,574	319,511	323,261	34,824
Embassy of Netherland, Tel Aviv	16,045	13,951	29,996	-
Oxfam Novib	53,576	138,085	118,657	73,004
Pro Victimis Switzerland	36,240	-	36,240	-
Royal Norwegian Embassy, Tel Aviv	-	340,721	340,721	-
Sigrd Rausing Trust, UK	107,152	160,018	240,501	26,669
Spanish International Development Cooperation (AECID)	248,944	-	162,882	86,062
Taiwan Foundation for Democracy, Taipei	-	1,037	1,037	-
Trocaire, Ireland	27,139	26,491	42,861	10,769
UNDP	123,101	45,711	168,812	-
	<u>676,942</u>	<u>1,789,546</u>	<u>2,203,284</u>	<u>263,204</u>

Notes to the Financial Statements as at December 31, 2012

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

C. Cost of Activities

	<u>2012</u>	<u>2011</u>
	<u>US Dollar</u>	<u>US Dollar</u>
Cost of activities		
Salaries and related expenses	1,060,708	871,747
Jerusalem Social Rights	39,476	64,076
Freedom of Movement	117,316	80,437
Detainee Rights	128,495	99,442
Violence	142,383	148,634
Dissemination of Information	18,259	15,371
Court Watch	7,859	32,256
Torture	7,891	17,695
Jerusalem Residency Rights	106,209	94,377
West Bank Residency Rights	-	1,152
Internal Freedom of Movement	123,077	83,383
Overhead	128,960	122,706
Total cost of activities	1,880,633	1,631,276
General and administrative expenses	301,738	260,243
Fundraising and spokesperson	46,668	33,438
Total costs not including finance income	2,229,039	1,924,957