Al-marsad
Arab Human Rights Centre in Golan Heights.

Financial Statements

As at December 31, 2017
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Report of the Independent Auditors to the members of
Al-marsad Arab Human Rights Centre in Golan Heights.

Introduction

We have audited the accompanying financial information of Al-marsad Arab Human Rights Centre in Golan Heights, (hereinafter – “the NGO”), which includes the condensed balance sheet as at December 31, 2017 and December 31, 2016, Statements of Income and Expenses and the condensed statements of Receipts and Payments, of the two periods then ended.

Responsibility

The Management of the NGO are responsible for preparation and presentation of the financial information for this period in accordance with relevant Generally Accepted Accounting Standards, “International Financial Reporting Standards”. Our responsibility is to express a conclusion on the financial information for this period based on our audit.

Scope of the audit

We conducted our audits in accordance with International standards on auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall consolidated financial statement presentation.

Emphasis of Matter-Basis of accounting and restriction on distribution and use

We draw attention to Note (1-F) to the financial statement, which describes the basis of accounting. The statements of receipts and payments are prepared to provide information to the Donors. As a result, the financial statement may not be suitable for another purpose.

Conclusion

Based on our audit conducted as above, except our drawing attention in the previous chapter, we believe that the above-mentioned financial information is prepared, in all material respects, in accordance with relevant Generally Accepted Accounting of the International Accounting Standards, as at December 31, 2017 and December 31, 2016 and for the period then ended.

Other matters

The audit procedures per article 2 of the Auditing Contracts signed on November 8, 2015 and November 6, 2016 have been performed and no reportable findings were noted. Based on the testing performed, the receipts and payments correctly relate to the projects in all its parts and the projects contracts has been complied with.

Sincerely,

Hamada Ibraheem
Certified Public Accountant (Israel)

[Signature]
**Balance Sheets**
(In New Israeli Shekels)

<table>
<thead>
<tr>
<th>Note</th>
<th>December 31 2016 (Audited)</th>
<th>December 31 2017 (Audited)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short-term investments</td>
<td>167,082</td>
<td>152,532</td>
</tr>
<tr>
<td>Debtors and Debit Balances</td>
<td>5,196</td>
<td>-</td>
</tr>
<tr>
<td>Revenues &amp; accounts receivable</td>
<td>7</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>172,278</td>
<td>215,157</td>
</tr>
<tr>
<td><strong>Property, Plant And Equipment</strong></td>
<td>2</td>
<td>70,506</td>
</tr>
<tr>
<td><strong>Total Property, Plant And Equipment</strong></td>
<td>242,784</td>
<td>273,965</td>
</tr>
<tr>
<td><strong>Accounts payable and accrued liabilities</strong></td>
<td>3</td>
<td>18,582</td>
</tr>
<tr>
<td><strong>Net Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Net Assets</strong></td>
<td>224,202</td>
<td>233,002</td>
</tr>
</tbody>
</table>

**Date**

28.3.18

The accompanying statements of project no.312-900-1012 ZG and project no.312-900-1016 ZG are an integral part of the financial statements.
### Statements of Income and Expenses

*(In New Israeli Shekels)*

<table>
<thead>
<tr>
<th>Income</th>
<th>For the Half Year Ended December 31 2017 (Audited)</th>
<th>For the Period January 1 2016 To December 31 2017 (Audited)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions</td>
<td>498,662</td>
<td>1,716,616</td>
</tr>
<tr>
<td>Cost of Activities</td>
<td>328,140</td>
<td>1,219,495</td>
</tr>
<tr>
<td>Net Income from Activities</td>
<td>170,522</td>
<td>497,121</td>
</tr>
<tr>
<td>Administrative Expenses</td>
<td>79,180</td>
<td>358,882</td>
</tr>
<tr>
<td><strong>Income before financial expenses</strong></td>
<td>91,342</td>
<td>138,239</td>
</tr>
<tr>
<td>financial expenses, net</td>
<td>3,699</td>
<td>13,026</td>
</tr>
<tr>
<td>Net income</td>
<td>87,643</td>
<td>125,213</td>
</tr>
<tr>
<td><strong>(Deficit) / Surplus for the period</strong></td>
<td><strong>87,643</strong></td>
<td><strong>125,213</strong></td>
</tr>
<tr>
<td>Balance carried forward</td>
<td>28,342</td>
<td>17,637</td>
</tr>
<tr>
<td>Depreciation expenses</td>
<td>(0)</td>
<td>35,760</td>
</tr>
<tr>
<td>Revenues &amp; accounts receivable</td>
<td>(0)</td>
<td>(62,625)</td>
</tr>
<tr>
<td>Balance Credit</td>
<td>115,985</td>
<td>115,985</td>
</tr>
</tbody>
</table>

**Date:** 28.3.18

Majed Fakher Edleen

The accompanying statements of project no.312-900-1012 ZG and project no.312-900-1016 ZG are an integral part of the financial statements.
Note 1  General

A. Al Marsad Arab Human Rights Centre in Golan is an non-govermental organization registered with the Israeli Ministry of justice. The authorized persons representing Al Marsad are the chirman of the board of trustees and acting director (Dr. Nizar Ayoub) and the board members (Naef Fakheraldeen) (Atef Safadi) and (Modad Owedat).

B. These financial statements were prepared in a condensed format as at December 31, 2016 and December 31, 2017 and for the period ended on that date (hereinafter – “the Annual Report”). These report should be read in the context of the Cooperative’s audited annual financial statements as at December 31, 2016 and December 31, 2017 and for the period then ended along the accompanying notes.

C. The Financial Statements are prepared in accordance with generally accepted accounting principles for preparation of financial statements as provided in Accounting Standard 34 of the Israeli Accounting Standards Board and (Ias 1) "International Accounting Standard 1- Presentation of Financial Statements”.

D. The significant accounting policies and calculation methods applied in preparation of the Interim Financial Statements are consistent with those applied in preparation of the annual financial statements.

E. The Statements of receipts and payments are prepared to provide information to the Donors in accordance with the contracts that concluded between the donors and Al-Marsad. As a result, the financial statement may not be suitable for another purpose.

The accompanying statements of project no.312-900-1012 ZG and project no.312-900-1016 ZG are an integral part of the financial statements.
Note 2  Property, Plant And Equipment

<table>
<thead>
<tr>
<th>Item</th>
<th>NIS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Division of the hall and main door</td>
<td>15,000</td>
</tr>
<tr>
<td>Projector system and screen</td>
<td>5,630</td>
</tr>
<tr>
<td>Furniture</td>
<td>17,537</td>
</tr>
<tr>
<td>Meeting table and chairs</td>
<td>22,040</td>
</tr>
<tr>
<td>Carpeting, Curtains and Conditioners</td>
<td>15,600</td>
</tr>
<tr>
<td>Computer</td>
<td>12,053</td>
</tr>
<tr>
<td>Software</td>
<td>6,708</td>
</tr>
<tr>
<td>Depreciation</td>
<td>(35,760)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>58,808</strong></td>
</tr>
</tbody>
</table>

Note 3  Accounts payable and accrued liabilities

<table>
<thead>
<tr>
<th>Item</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Suppliers And Service Providers</td>
<td>7,718</td>
<td>8,961</td>
</tr>
<tr>
<td>Employees</td>
<td>4,017</td>
<td>-</td>
</tr>
<tr>
<td>Expenses Payable</td>
<td>-</td>
<td>23,612</td>
</tr>
<tr>
<td>Tax Authorities</td>
<td>6,847</td>
<td>8,390</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>18,582</td>
<td>40,963</td>
</tr>
</tbody>
</table>

Note 4  Financial expenses, net

<table>
<thead>
<tr>
<th>Item</th>
<th>2017</th>
<th>2017 (cumulated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank charges</td>
<td>3,609</td>
<td>13,026</td>
</tr>
</tbody>
</table>

The accompanying statements of project no.312-900-1012 ZG and project no.312-900-1016 ZG are an integral part of the financial statements.
**Note 5  Contributions**

<table>
<thead>
<tr>
<th>Description</th>
<th>2017 (cumulated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zentralstelle P (312-900-1012)</td>
<td>425,239</td>
</tr>
<tr>
<td>Misereor P (312-900-1016)</td>
<td>73,423</td>
</tr>
<tr>
<td>Third parties</td>
<td>- 111,671</td>
</tr>
<tr>
<td>Third parties - receivable</td>
<td>- 62,625</td>
</tr>
<tr>
<td></td>
<td>498,662</td>
</tr>
<tr>
<td></td>
<td>1,716,616</td>
</tr>
</tbody>
</table>

**Note 6  Cost of Activities**

<table>
<thead>
<tr>
<th>Description</th>
<th>2017 (cumulated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries P (312-900-1012)</td>
<td>284,560</td>
</tr>
<tr>
<td>Salaries P (312-900-1016)</td>
<td>43,580</td>
</tr>
<tr>
<td></td>
<td>328,140</td>
</tr>
<tr>
<td></td>
<td>1,219,495</td>
</tr>
</tbody>
</table>

**Note 7  Revenues & accounts receivable**

<table>
<thead>
<tr>
<th>Description</th>
<th>2017 (cumulated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>EMHRF for P (312-900-1012)</td>
<td>41,687</td>
</tr>
<tr>
<td>EMHRF for P (312-900-1016)</td>
<td>20,938</td>
</tr>
<tr>
<td></td>
<td>62,625</td>
</tr>
<tr>
<td></td>
<td>62,625</td>
</tr>
</tbody>
</table>

The accompanying statements of project no.312-900-1012 ZG and project no.312-900-1016 ZG are an integral part of the financial statements.
### Al-marsad
Arab Human Rights Centre in Golan Heights.

#### Note 8
**Administrative Expenses**

**P (312-900-1012)**

<table>
<thead>
<tr>
<th>Item</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer &amp; software</td>
<td>5,700</td>
</tr>
<tr>
<td>Filling fees, Law library</td>
<td>8,394</td>
</tr>
<tr>
<td>Rent</td>
<td>104,000</td>
</tr>
<tr>
<td>Electricity / Water</td>
<td>19,150</td>
</tr>
<tr>
<td>Communications costs</td>
<td>9,870</td>
</tr>
<tr>
<td>Travel Costs</td>
<td>12,861</td>
</tr>
<tr>
<td>Stationery and Supplies</td>
<td>10,799</td>
</tr>
<tr>
<td>Ad-hoc consultancy by external experts</td>
<td>10,220</td>
</tr>
<tr>
<td>Maintenance and Repair</td>
<td>23,000</td>
</tr>
<tr>
<td>Insurance office building</td>
<td>2,335</td>
</tr>
<tr>
<td>Development of grass-roots groups</td>
<td>5,148</td>
</tr>
<tr>
<td>International Advocacy</td>
<td>8,768</td>
</tr>
<tr>
<td>Translation, Editing, Publications and reports</td>
<td>44,713</td>
</tr>
<tr>
<td>External Auditing</td>
<td>16,000</td>
</tr>
<tr>
<td>Depreciation</td>
<td>35,760</td>
</tr>
</tbody>
</table>

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61,585 316,718

#### Administrative Expenses

**P (312-900-1016)**

<table>
<thead>
<tr>
<th>Item</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>International Advocacy</td>
<td>3,700</td>
</tr>
<tr>
<td>Publications and reports</td>
<td>6,000</td>
</tr>
<tr>
<td>Rent</td>
<td>16,700</td>
</tr>
<tr>
<td>Communications costs</td>
<td>5,352</td>
</tr>
<tr>
<td>Travel Costs</td>
<td>6,838</td>
</tr>
<tr>
<td>Stationery and Supplies</td>
<td>3,574</td>
</tr>
</tbody>
</table>

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29,293 42,164

**Total**

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90,878 358,882

The accompanying statements of project no.312-900-1012 ZG and project no.312-900-1016 ZG are an integral part of the financial statements.