

CENTER FOR DEFENSE OF LIBERTIES AND CIVIL
RIGHTS (HURYYAT)

Financial Statements
As of December 31, 2015
Together with Independent Auditors' Report

El Wafa Company

For Financial Consulting & Accounting Services

Correspondents of the International firm
"MAZARS"

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Independent Auditors' Report

To: The Board of Directors
Center for Defense of Liberties and Civil Rights
Ramallah

We have audited the accompanying financial statements of the Center for Defense of Liberties and Civil Rights (Hurriyat), which comprise the statement of financial position as at December 31, 2015, and the statement of activities and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to Hurriyat preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Hurriyat internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall

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presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hurryyat as of December 31, 2015, and its financial performance and its cash flow for the year then ended in accordance with International Financial Reporting Standards.

El Wafa Company
(Permit No. 203/2012)


Musa Abu Dieh
(Permit No. 223/1993)

Ramallah, Palestine
May 11, 2016



Center for Defense of Liberties and Civil Rights “Hurriyat”
Statement of Financial Position
As at December 31, 2015
(Currency: USD)

	<u>Note</u>	<u>2015</u>	<u>2014</u>
<i>Assets</i>			
Current Assets			
Cash on hand and at bank	3	63,145	67,602
Contributions receivable	4	226,862	109,259
Total Current Assets		290,007	176,861
Fixed assets, net	5	9,266	3,537
Total Assets		299,273	180,398
<i>Liabilities and Net Assets</i>			
Current Liabilities			
Accrued expenses and other current liabilities	6	5,292	3,169
Total Current Liabilities		5,292	3,169
Provision for severance pay	7	17,975	19,185
Total Liabilities		23,267	22,354
Net Assets			
Unrestricted		8,431	(7,869)
Temporarily restricted	8	267,575	165,913
Total Net Assets		276,006	158,044
Total Liabilities and Net Assets		299,273	180,398

The accompanying notes form an integral part of these financial statements

Center for Defense of Liberties and Civil Rights “Hurriyat”
Statement of Activities
For the Year Ended December 31, 2015
(Currency: USD)

	Note	2015			2014
		Unrestricted	Temporarily restricted	Total	
Revenues					
Donors’ contributions	9	-	300,569	300,569	90,081
Prisoners’ project revenues	10	99,530	-	99,530	95,900
Other revenues	11	81,846	-	81,846	64,316
Net assets released from restriction	8	198,907	(198,907)	-	-
Total Revenues		380,283	101,662	481,945	250,297
Expenses					
Program expenses	12	292,933	-	292,933	228,931
General and administrative expenses	13	66,971	-	66,971	63,933
Depreciation	5	2,255	-	2,255	1,499
Receivables write-off		566	-	566	2,043
Currency differentials loss	14	1,258	-	1,258	657
Total Expenses		363,983	-	363,983	297,063
Change in net assets		16,300	101,662	117,962	(46,766)
Net assets, beginning of year		(7,869)	165,913	158,044	204,810
Net assets, end of year		8,431	267,575	276,006	158,044

The accompanying notes form an integral part of these financial statements

Center for Defense of Liberties and Civil Rights “Hurriyyat”
Cash Flows Statement
For the Year Ended December 31, 2015
(Currency: USD)

	<u>Note</u>	<u>2015</u>	<u>2014</u>
Cash Flow from Operating Activities			
Change in net assets		117,962	(46,766)
Adjustments to reconcile change in net assets to net cash flow from operating activities:			
Depreciation		2,255	1,499
(Decrease) increase in severance pay		(1,210)	4,322
(Increase) decrease in contributions receivable		(117,603)	32,297
Decrease in other current assets		-	2,144
Increase in accrued expenses and other current liabilities		2,123	257
Net cash flow from (used in) operating activities		<u>3,527</u>	<u>(6,247)</u>
Cash Flow from Investing Activities			
Purchase of fixed assets	5	<u>(7,984)</u>	<u>(1,408)</u>
Net cash flow (used in) investing activities		<u>(7,984)</u>	<u>(1,408)</u>
Net (decrease) in cash on hand and at bank		(4,457)	(7,655)
Cash on hand and at bank, beginning of year		<u>67,602</u>	<u>75,257</u>
Cash on hand and at bank, end of year		<u><u>63,145</u></u>	<u><u>67,602</u></u>

The accompanying notes form an integral part of these financial statements

Center for Defense of Liberties and Civil Rights “Hurrryyat”
Notes to the Financial Statements
For the Year Ended December 31, 2015
(Currency: USD)

1. Hurrryyat and Its Activities

The Center for Defense of Liberties and Civil Rights “Hurrryyat” is a Palestinian non-governmental and independent organization that contributes to the protection of Palestinian civil and political rights. Hurrryyat was established in Jerusalem in 1992 and registered in 2003 with the Palestinian Ministry of Interior under registration number RA-2276-LS.

Hurrryyat’s main objectives include:

- Activate the social involvement and participation in protecting the Palestinian civil and political rights.
- Organize systematic activities directly targeted for the advocacy of Palestinian prisoners’ conditions.
- Contribute towards the efforts aiming at influencing the decision-making process in ways that protect human, social and political rights.

2. Summary of Significant Accounting Policies

The financial statements have been prepared under the historical cost convention, the significant accounting policies follow: -

- General

Net assets, revenues, expenses, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as unrestricted, temporarily restricted and permanently restricted. Unrestricted net assets are those whose use by Hurrryyat is not subject to donor-imposed stipulations. Temporarily restricted net assets are those whose use by Hurrryyat has been limited by donors for specific time period or purpose. Permanently restricted net assets are those restricted by donors to be maintained by Hurrryyat in perpetuity. During 2015 and 2014, Hurrryyat had no permanently restricted net assets.

- Donors’ Contributions

Unconditional promises to give cash and other assets to Hurrryyat are recorded at the fair market value at the date promises to give are made. Conditional promises to give and indications of intention to give are recorded at the fair market value at the date contribution is received. Unconditional promises to give are promises that depend only on passage of time and certain performance requested by the promising donors. Restricted contributions are recorded as either temporarily or permanently restricted revenues. When donor restrictions expire, that is, when a

stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets released from restriction.

- Membership Fees

Membership fees are recorded by Hurryyat when received, in accordance with the cash basis of accounting.

- Expenses

Expenses are recorded by Hurryyat when incurred in accordance with the accrual basis of accounting.

- Provision for Severance Pay

Hurryyat provides for the severance pay of its employees in conformity with local labor law (law number 7 of the year 2000).

- Fixed Assets

Fixed assets are recorded at cost and depreciated over their estimated useful lives using the straight-line method, at the following annual rates:-

	<u>%</u>
Office equipment	20
Office furniture	10
Central telephone	20
Signboard	10

- Foreign Currencies

Hurryyat's basic functional currency is the United States Dollar (USD). Transactions which are expressed or denominated in other currencies were translated to USD using exchange rates in effect at the time of each transaction. Assets and liabilities which are denominated in other currencies are translated to USD using exchange rates prevailing at the date of the statement of financial position. Gains and losses arising from translation are reflected in the statement of activities.

Foreign currency exchange rates against USD at December 31, 2015 and 2014 were as follows:-

	<u>USD</u>	
	<u>2015</u>	<u>2014</u>
New Israeli Shekel (ILS)	3.90	3.90
Jordanian Dinar (JD)	0.71	0.71
EUR	0.92	0.82

3. Cash on Hand and at Bank

Cash on hand and at bank comprises:-

	<u>2015</u>	<u>2014</u>
Cash on hand in USD	1	-
Cash at bank in JD	41,101	1,152
Cash at bank in USD	26,238	20,631
Cash at bank in EUR	8	-
Cash at bank in ILS	* (4,203)	45,819
	<u>63,145</u>	<u>67,602</u>

* Includes outstanding cheques as of December 31, 2015 in the amount of ILS 24,429 (equivalent to USD 6,268).

4. Contributions Receivable

Contributions receivable comprises:-

	<u>2015</u>	<u>2014</u>
Support and Advocacy of Enhancing the Human Rights of Sick Palestinian Prisoners in Israeli Jails - Arab Fund for Economic and Social Development 2016 - 2017 (Arab Fund 2016 - 2017)	126,048	-
Against Torture in the Palestinian Territories - The Palestinian Accession to the International Treaty against Torture - Human Rights & IHL Secretariat (Secretariat ATPT)	59,983	-
Strengthening the Rule of law in the oPt - Justice and Security for the Palestinian People 2014-2017 - United Nations Development Programme (UNDP 2015 - 2017)	21,348	-
Support and Advocacy of Enhancing the Human Rights of Sick Palestinian Prisoners in Israeli Jails - Arab Fund for Economic and Social Development 2013 - 2015 (Arab Fund 2013 - 2015)	17,315	46,696
Restoring the Rights to Remedy and Reparation for Victims of Torture and other Ill-Treatments - Treatment & Rehabilitation Center For Victims of Torture (TRC)	2,168	3,776
Torture is a Humiliation of Dignity - Human Rights & IHL Secretariat (Secretariat THD)	-	49,972
Strengthening the Rule of law in the oPt - Justice and Security for the Palestinian People 2014-2015 - United Nations Development Programme (UNDP 2014 - 2015)	-	8,815
	<u>226,862</u>	<u>109,259</u>

5. Fixed Assets, Net

Components of fixed assets costs and related accumulated depreciation as of December 31, 2015 and movement thereon during the year follow:-

	Balance, Beginning of year	Additions *	Disposals	Balance, End of year
Costs				
Office equipment	27,525	7,155	-	34,680
Office furniture	7,231	829	-	8,060
Central telephone	963	-	-	963
Signboard	207	-	-	207
	35,926	7,984	-	43,910
Accumulated Depreciation				
Office equipment	25,611	1,522	-	27,133
Office furniture	5,611	731	-	6,342
Central telephone	963	-	-	963
Signboard	204	2	-	206
	32,389	2,255	-	34,644
Net Book Value	3,537			9,266

*Fixed assets additions include items in the total amount of USD 5,473 purchased from the restricted donations received by Hurryyat as shown in Note 8 to the financial statements.

6. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities comprise:-

	2015	2014
Due to lessor (office rent)	3,900	-
Accrued audit fees	1,392	1,392
Due to employees	-	1,500
Accrued utilities and communication	-	197
Payroll tax	-	80
	5,292	3,169

7. Provision for Severance Pay

The movement on the provision for severance pay during 2015 and 2014 follows:-

	2015	2014
Balance, beginning of year	19,185	14,863
Additions during the year	5,806	4,322
Payments during the year	(7,016)	-
Balance, end of year	17,975	19,185

8. Temporarily Restricted Net Assets

Temporarily restricted net assets as of December 31, 2015 and movement thereon during the year follow:-

	<u>Beginning balance</u>	<u>Additions /contributions</u>	<u>Released from restriction</u>			<u>Ending balance</u>
			<u>Program expenses</u>	<u>Fixed assets</u>	<u>Total</u>	
Support and Advocacy of Enhancing the Human Rights of Sick Palestinian Prisoners in Israeli Jails - Arab Fund for Economic and Social Development 2016 - 2017 (Arab Fund 2016 - 2017)	-	167,366	-	-	-	167,366
Against Torture in the Palestinian Territories - The Palestinian Accession to the International Treaty against Torture - Human Rights & IHL Secretariat (Secretariat ATPT)	-	59,983	3,536	-	3,536	56,447
Strengthening the Rule of law in the oPt - Justice and Security for the Palestinian People 2015-2017 - United Nations Development Programme (UNDP 2015 - 2017)	-	66,627	37,571	-	37,571	29,056
Support and Advocacy of Enhancing the Human Rights of Sick Palestinian Prisoners in Israeli Jails - Arab Fund for Economic and Social Development 2013 - 2015 (Arab Fund 2013 - 2015)	102,406	-	92,719	-	92,719	9,687
Strengthening the Rule of law in the oPt - Justice and Security for the Palestinian People 2014-2015 - United Nations Development Programme (UNDP 2014 - 2015)	17,362	-	13,028	-	13,028	4,334
Torture is a Humiliation of Dignity - Human Rights & IHL Secretariat (Secretariat THD)	46,145	-	40,062	5,473	45,535	610
Restoring the Rights to Remedy and Reparation for Victims of Torture and other Ill-Treatments - Treatment & Rehabilitation Center For Victims of Torture (TRC)	-	6,593	6,518	-	6,518	75
	<u>165,913</u>	<u>300,569</u>	<u>193,434</u>	<u>5,473</u>	<u>198,907</u>	<u>267,575</u>

9. Donors' Contributions

Donors' contributions comprise:-

	2015			2014
	Unrestricted	Temporarily Restricted	Total	
Support and Advocacy of Enhancing the Human Rights of Sick Palestinian Prisoners in Israeli Jails - Arab Fund for Economic and Social Development 2016 - 2017 (Arab Fund 2016 - 2017)	-	167,366	167,366	-
Strengthening the Rule of law in the oPt - Justice and Security for the Palestinian People 2015-2017 - United Nations Development Programme (UNDP 2015 - 2017)	-	66,627	66,627	-
Against Torture in the Palestinian Territories - The Palestinian Accession to the International Treaty against Torture - Human Rights & IHL Secretariat (Secretariat ATPT)	-	59,983	59,983	-
Restoring the Rights to Remedy and Reparation for Victims of Torture and other Ill-Treatments - Treatment & Rehabilitation Center For Victims of Torture (TRC)	-	6,593	6,593	7,725
Torture is a Humiliation of Dignity - Human Rights & IHL Secretariat (Secretariat THD)	-	-	-	49,972
Strengthening the Rule of law in the oPt - Justice and Security for the Palestinian People 2014-2015 - United Nations Development Programme (UNDP 2014 - 2015)	-	-	-	30,000
Welfare Association	-	-	-	2,384
	-	300,569	300,569	90,081

10. Prisoners' Project Revenues

Prisoners' project revenues represent donations from entities and individuals to be donated for prisoners' canteens.

11. Other Revenues

Other revenues represent:-

	2015	2014
Donations from individuals and organizations	56,146	40,148
Voluntary work - General Manager	24,000	24,000
Other	1,700	168
	81,846	64,316

12. Program Expenses

Program expenses comprise:-

	2015						From Unrestricted Donations	Total Program Expenses	2014	
	From Restricted Donations									
	Arab Fund 2013 -2015	UNDP 2014 - 2015	Secretariat THD	TRC	Secretariat ATPT	UNDP 2015 - 2017				Total
Salaries	67,200	5,500	22,908	5,970	3,463	34,524	139,565	-	139,565	88,787
Prisoners' canteens & assistance expenses	4,322	-	-	-	-	-	4,322	99,499	103,821	107,521
Printing, stationery and supplies	3,460	3,398	7,385	-	-	-	14,243	-	14,243	5,673
Maintenance, hospitality and cleaning	1,474	2,430	5,667	305	-	426	10,302	-	10,302	5,937
Travel & transportation	5,111	1,000	446	229	73	527	7,386	-	7,386	3,976
Consulting and professional fees	2,892	-	3,400	-	-	-	6,292	-	6,292	5,512
Media, advertising & translation	3,110	700	-	-	-	1,030	4,840	-	4,840	150
Office and hall rent	4,029	-	175	-	-	129	4,333	-	4,333	6,954
Postal, telephone & website expense	1,050	-	-	-	-	314	1,364	-	1,364	2,708
Utilities and administrative expense	-	-	-	-	-	314	314	-	314	1,664
Court fees	-	-	-	-	-	307	307	-	307	-
Subscription, fees and bank charges	71	-	81	14	-	-	166	-	166	49
	92,719	13,028	40,062	6,518	3,536	37,571	193,434	99,499	292,933	228,931

13. General and Administrative Expenses

General and administrative expenses comprise:-

	<u>2015</u>	<u>2014</u>
Salaries and related benefits	48,120	51,963
Office and hall Rent	3,900	1,395
Maintenance, hospitality and cleaning	3,591	745
Printing, stationery and supplies	2,445	800
Donation	2,100	1,500
Postal, telephone & website expense	1,667	121
Insurance expenses	1,362	1,128
Travel and transportation	1,361	2,467
Subscription, fees and bank charges	1,302	1,405
Utilities and administrative expense	1,024	456
Training and workshops	99	487
Consulting and professional fees	-	700
Media , advertising & translation expenses	-	106
Facilitation expenses	-	-
Miscellaneous expenses	-	660
	<u>66,971</u>	<u>63,933</u>

14. Currency Differentials loss

Currency differentials have resulted from the revaluation of Hurryyat monetary assets and liabilities in foreign currencies to USD using the exchange rates prevailing at the date of the statement of financial position. The fluctuations in the exchange rates against USD resulted in a loss of USD 1,258 and USD 657 as of December 31, 2015 and 2014 respectively.