Jerusalem Legal Aid and Human Rights Center

Financial Statements

December 31, 2018

Building a better working world

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Independent Auditor's Report
To the Members of the General Assembly of Jerusalem Legal Aid and Human Rights Center

Opinion

We have audited the financial statements of Jerusalem Legal Aid and Human Rights Center (the Center), which comprise the statement of financial position as at December 31, 2018, and the statement of activities and the statement of changes in net assets and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Center as at December 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Center in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA) Code, and we have fulfilled our other ethical responsibilities in accordance with IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Management and the Board of Directors for the Financial Statements

The management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Center's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the management either intends to liquidate the center or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Center's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 the Center's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Center's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Center to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young - Middle East
License # 206/2012

A.M. Abushaaban
Ernst + Young

A. Maher Abushaaban
License # 155/1998

April 7, 2019
Ramallah, Palestine

Statement of Financial Position
As at December 31, 2018

	Notes	2018 U.S. $	2017 U.S. $
Assets			
Non-current assets			
Property and equipment	3	216,657	222,901
		216,657	222,901
Current assets			
Contributions receivable	4	435,537	917,955
Other current assets	5	33,847	24,180
Cash and cash equivalents	6	1,429,607	1,118,241
		1,898,991	2,060,376
Total assets		2,115,648	2,283,277
Net assets and liabilities			
Unrestricted net assets		169,048	127,317
Special reserve	7	431,660	427,709
Total net assets		600,708	555,026
Non-current liabilities			
Provision for employees' benefits	8	772,071	688,027
Deferred revenues	9	70,296	70,453
		842,367	758,480
Current liabilities			
Other current liabilities	10	59,689	61,168
Temporarily restricted contributions	11	612,884	908,603
		672,573	969,771
Total liabilities		1,514,940	1,728,251
Total net assets and liabilities		2,115,648	2,283,277

A. Samara
TRESEURER
Ahmad Samara

Chairman of BOD
Amin lanbi

The attached notes 1 to 19 form part of these financial statements

Statement of Activities
For the year ended December 31, 2018

	Notes	2018 U.S. $	2017 U.S. $
<u>Revenues</u>			
Temporarily restricted contributions released from restriction	11	1,238,496	1,245,388
Unrestricted Revenue	12	48,863	62,077
Deferred revenues recognized	9	21,435	20,946
Other revenues	13	36,142	148,199
Total revenues		1,344,936	1,476,610
<u>Expenses</u>			
Project's expenses	14	(1,006,273)	(1,051,511)
General and administrative expenses	14	(232,223)	(193,877)
Depreciation of property and equipment	3	(27,522)	(26,394)
Other expenses	15	(33,236)	(39,324)
Total expenses		(1,299,254)	(1,311,106)
Increase in unrestricted net assets		45,682	165,504

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Statement of Change in Net Assets
For the year ended December 31, 2018

	Unrestricted net assets	Special reserve	Total net assets
2018	U.S. $	U.S. $	U.S. $
Balance as at January 1, 2018	127,317	427,709	555,026
Increase in net assets	45,682	-	45,682
Transfer to special reserve	(3,951)	3,951	-
Balance as at December 31, 2018	169,048	431,660	600,708

	Unrestricted net assets	Special reserve	Total Net Assets
2017	U.S. $	U.S. $	U.S. $
Balance as at January 1, 2017	-	389,522	389,522
Increase in net assets	165,504	-	165,504
Transfer to special reserve	(38,187)	38,187	-
Balance as at December 31, 2017	127,317	427,709	555,026

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Statement of Cash Flows
For the year ended December 31, 2018

	Notes	2018 U.S. $	2017 U.S. $
Operating activities:			
Increase in net assets		45,682	165,504
Adjustments:			
Depreciation of property and equipment		27,522	26,394
Interest revenue		(17,003)	(14,788)
Provision for employees' benefits		121,372	112,928
Deferred revenues recognized		(21,435)	(20,946)
Other non-cash items		-	5,804
		156,138	274,869
Contributions receivable		482,418	16,553
Other current assets		(9,667)	(4,577)
Temporarily restricted contributions		(295,719)	(313,990)
Deferred revenues		21,278	11,861
Other current liabilities		(1,479)	15,566
Provision for employees' indemnity paid		(37,328)	(22,923)
Net cash flows from (used in) operating activities		315,641	(7,826)
Investing activities:			
Purchase of property and equipment		(21,278)	(34,779)
Interest revenue received		17,003	14,788
Net cash flows used in investing activities		(4,275)	(19,991)
Increase (decrease) in cash and cash equivalents		311,366	(42,605)
Cash and cash equivalents, beginning of the year		1,118,241	1,160,846
Cash and cash equivalents, end of the year	6	1,429,607	1,118,241

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Notes to the Financial Statements
December 31, 2018

1. General

The Jerusalem Legal Aid and Human Rights Center (the Center), started as the Quaker Service Information and Legal Aid Center which was founded in Jerusalem in 1974 by the Philadelphia American Friends Service Committee (AFSC). Procedures were taken to transfer governance of the Center to a local body; accordingly, the managing board was restructured and resulted in a joint governance between ASFC and a local Board of Directors. By October 1997, the process was completed and the local board assumed full responsibility for the center's activities.

The Center's objectives are to offer legal services to the Palestinian community by handling different types of cases such as land related cases and travel restriction cases, dealing with cases related to Palestinian Authority and promote the rule of law. The Center's activities are being implemented through two offices in Jerusalem and Ramallah. The Center is officially registered with all concerned authorities in Jerusalem and Palestinian Authority Area.

The Center's financial statements as of December 31, 2018 were approved by the Board of Directors on April 6, 2019.

2 Accounting Polices

2.1 Basis of preparation

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).
The financial statements are prepared on a historical cost basis

The financial statements have been presented in United States Dollars (U.S. $), which is the functional currency of the center.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the financial year ended December 31, 2017, except that the Center applied the following standards and amendments for annual periods beginning on or after January 1, 2018:

<u>IFRS 9 Financial Instruments</u>

The Center has adopted IFRS 9 on January 1, 2018. The Standard has been retrospectively applied to existing financial assets as at the date of application and the Center has chosen not to adjust the comparative figures for prior periods as permitted in accordance with the Standard.

The impact of the application of IFRS 9 has no effect on the opening balance of the net assets items as of January 1, 2018.

The credit exposure on contributions receivable balances is not significant as it is recorded against temporarily restricted contributions balances, and generally the center limits its credit risk through limiting projects' disbursements from amounts actually transferred by donors, therefore any write off on contributions receivable balances will be matched by a write off in the temporarily restricted contribution.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.
The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

IFRS 15 has no effect on the Center net assets or its accounting policy for revenue recognition.

The IASB issued standards and interpretations that are not yet effective, and have not been adopted by the center. The center intends to adopt these standards when they become effective.

2.3 Estimates and assumptions

The preparation of financial statements in accordance with IFRSs requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, financial assets and liabilities and disclosure of contingent liabilities. Uncertainty about these estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of the assets or liability affected in future periods.

The key estimates and assumptions involved in the financial statements are as follows:

Useful lives of property and equipment

The Center's management reassesses the useful lives of property and equipment, and makes adjustments if applicable, at each financial year end.

2.4 Summary of significant accounting policies

Revenue Recognition

Donation revenues

Donor's unconditional contributions are those contributions where donor does not specify prerequisites that have to be carried out by the recipient before obtaining the fund.

Contributions revenues from unconditional contributions are recognized as follows:

- Unconditional contributions that are not restricted by donor for a specific purpose or time are recognized as revenue when the contribution is obtained.
- Unconditional contributions that are temporarily restricted by donor for a specific purpose or time are recognized as revenue when such purpose or time is satisfied.

Deferred revenue

Contributions related to property and equipment are stated at fair value, recorded as deferred revenues and recognized as revenue on a systematic basis over the useful life of the asset.

Expenses recognition

Expenses are recognized when incurred based on the accrual basis of accounting.

Current versus non-current classification

The Center presents assets and liabilities in the statement of financial position based on current/non-current classification, an asset is classified as current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Center classifies all other liabilities as non-current.

Contributions receivable

Contributions receivable are classified as financial assets at amortised cost, and are stated at the original amount of the unconditional pledges less amounts received and expected credit losses.

Impairment of financial assets

After adoption of IFRS (9) as at January 1, 2018

For all debt instruments, the Center has applied the simplified approach and has calculated expected credit losses (ECL) based on lifetime expected credit losses. To measure ECL, debit balances are classified based on their credit factors and maturities.

Financial assets that are measured at amortised cost are tested as to whether they are credit-impaired. Objective evidence that a financial asset is credit-impaired may include a breach of contract, such as default or delinquency in interest or principal payments, the granting of a concession that, for economic or legal reasons relating to the borrower's financial difficulties.

Before the adoption of IFRS (9) as at January 1, 2018

An assessment is made at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. If such evidence exists, any impairment loss is recognized in the statement of activities.

Impairment of financial assets

An assessment is made at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. If such evidence exists, any impairment loss is recognized in the statement of activities and changes in net assets.

Fair value

Where the fair value of financial assets and financial liabilities cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial assets.

Cash and cash equivalents

For the purpose of the statement of cash flow, cash and cash equivalents consist of cash on hand, bank balances, and short term deposits with an original maturity of three months or less, net of restricted bank deposits.

Property and equipment

Property and equipment are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. All other repair and maintenance costs are recognized in the statement of activities as incurred.

Depreciation is calculated on a straight line basis over the estimated useful lives of the assets as follows:

	Useful lives (years)
Buildings	20
Office furniture	6,6
Office equipment	3-5
Software	3,3
Motor vehicles	5

An item of property and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal, any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of activities.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Provisions

Provisions are recognized when the Center has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and able to be reliably measured.

Accounts payable and accruals

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Income taxes

The Center is a not-for-profit organization; accordingly, it is not subject to Palestinian income tax, provided meeting the required conditions in accordance with Palestinian Income Tax Law.

Other current liabilities

Liabilities are recognized for amounts to be paid in the future for goods or services received whether billed by the supplier or not.

Foreign currencies

The functional currency of the center is United States Dollars (U.S. $), transactions in foreign currencies are recorded at the rate prevailing at the date of the transaction, Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange prevailing at the statement of financial position date, All differences are recognized in the statement of activities.

3. Property and equipment

	Buildings	Office furniture	Office equipment	Software	Motor vehicles	Total
2018	U.S. $	U.S. $	U.S. $	U.S. $	U.S. $	U.S. $
Cost:						
Balance, begin of the year	202,918	42,227	173,267	16,700	40,897	476,009
Additions	-	3,304	17,599	375	-	21,278
Balance, end of the year	202,918	45,531	190,866	17,075	40,897	497,287
Accumulated Depreciation:						
Balance, begin of the year	50,474	31,739	145,713	14,425	10,757	253,108
Depreciation charge for the year	6,087	2,782	10,809	1,710	6,134	27,522
Balance, end of the year	56,561	34,521	156,522	16,135	16,891	280,630
Net book value						
At December 31, 2018	146,357	11,010	34,344	940	24,006	216,657
At December 31, 2017	152,444	10,488	27,554	2,275	30,140	222,901

Property and equipment include U.S. $ 166,586 and U.S. $ 152,204 of fully depreciated assets that are still being used in the Center's activities as of December 31, 2018 and 2017, respectively.

4. Contributions receivable

	Balance, beginning of the year	Additions	Cash received	Currency exchange differences	Balance, end of year
	U.S. $	U.S. $	U.S. $	U.S. $	U.S. $
2018					
United Nations Development Programme	20,000	-	(20,000)	-	-
Norwegian Refugee Council (NRC)	117,970	628,200	(620,427)	(15)	125,728
Bread for the World -EED	311,401	-	(224,881)	(12,758)	73,762
European Union (EU)	441,521	-	(246,555)	(5,910)	189,056
Swiss Development Cooperation (SDC)	-	180,000	(143,936)	-	36,064
Rosa Luxembourg Shtiftung	-	20,416	(20,041)	(375)	-
The Catholic Agency for Overseas Development	23,043	49,610	(57,932)	(3,794)	10,927
Irish Aid	-	84,662	(84,662)	-	-
Gruppo di Volontariato Civile (GVC)	4,020	-	-	(33)	-
	917,955	962,888	(1,422,421)	(22,885)	435,537

5. Other current assets

	2018	2017
	U.S. $	U.S. $
Advances to employees	22,267	12,652
Checks under collection	1,229	5,202
Prepaid expenses	3,888	4,320
Others	6,463	2,006
	33,847	24,180

6. Cash and cash equivalents

	2018	2017
	U.S. $	U.S. $
Cash on hand and current accounts at banks	386,675	179,697
Term deposits at banks*	1,042,932	938,544
	1,429,607	1,118,241

* Average interest rate on U.S. Dollar term deposits for the year ended December 31, 2018 and 2017 was 1.75%.

As of December 31, 2018, the Center designated deposits at banks for the following reserves:

	2018	2017
	U.S. $	U.S. $
Employees' savings fund	422,249	367,134
End of service benefits	391,941	346,619
Special reserve (Note 7)	228,742	224,791
	1,042,932	938,544

7. Special reserve

During previous years, the Board of Directors appropriated part of unrestricted net assets to special reserve to be used for purposes to be set by the Board of Directors. In accordance with the Board of Directors' decision in the previous years, the Center used part of the reserve to purchase the Center's buildings, the remaining amount was held as a deposit.

The following table shows the details of this account:

	2018	2017
	U.S. $	U.S. $
Term deposits at banks (Note 6)	228,742	224,791
Property and equipment - buildings (Note 3)	202,918	202,918
	431,660	427,709

8. Provision for employees' benefits

Following is a summary of the movement on the provision for employees' benefits:

2018	Balance, beginning of the year	Additions	Payments	Balance, end of year
	U.S. $	U.S. $	U.S. $	U.S. $
End of service benefits	333,675	55,624	(14,458)	374,841
Employees' savings fund**	354,352	65,748	(22,870)	397,230
	688,027	121,372	(37,328)	772,071

2017	Balance, beginning of the year	Additions	Payments	Balance, end of year
	U.S. $	U.S. $	U.S. $	U.S. $
End of service benefits	285,403	49,695	(1,423)	333,675
Employees' savings fund*	312,619	63,233	(21,500)	354,352
	598,022	112,928	(22,923)	688,027

* Provision for employee's end of service benefits is provided for in accordance with the labor law prevailing in Palestine and the center's human resources policies based on one-month salary for each year of employment. The Palestinian Social Security Law was expected to be implemented during 2018, but was suspended in accordance with a presidential decree on January 28, 2019, which states that the dialogue with the relevant parties will continue to arrive at a national consensus on the provisions of the Law and the date of enforcement. The current Law obligate the employer to settle the end of service benefits for the periods preceding the application of the provisions of this Law.

**This item represents the Center's commitment to the employees' saving fund to the saving fund's scheme where the Center deducts 5% per month from the basic salary of each employee and contributes additional 10%.

9. Deferred revenues

This item represents property and equipment acquired during the year out of the temporarily restricted contributions, Movement on deferred revenues during the year was as follows:

	2018	2017
	U.S. $	U.S. $
Balance, beginning of the year	70,453	79,538
Additions (Note 11)	21,278	11,861
Deferred revenues recognized	(21,435)	(20,946)
Balance, end of the year	70,296	70,453

10. Other current liabilities

	2018	2017
	U.S. $	U.S. $
Accounts payable	36,119	40,148
Vacation provision	18,870	18,870
Others	4,700	2,150
	59,689	61,168

11. Temporarily restricted contributions

This item comprises of temporarily restricted contributions subject to purpose or time restriction, These amounts represent the excess of donations pledged over the expenditures made out to satisfy the purposes stipulated by the donors, The movement on the temporarily restricted contributions during the year was as follows:

	Balance, beginning of the year	Additions	Temporarily restricted contributions released from restriction		Deferred revenue	Transferred to unrestricted contributions	Currency exchange differences	Balance, end of the year
			Project's expenses	General and administrative expenses				
2018	U.S. $	U.S. $	U.S. $	U.S. $	U.S. $	U.S. $	U.S. $	U.S. $
United Nations Development Programme	23,709	-	(23,709)	-	-	-	-	-
Norwegian Refugee Council (NRC)	82,813	628,200	(567,512)	-	(7,825)	-	-	135,676
Bread for the World -EED	298,176	-	-	(99,996)	(4,967)	-	-	193,213
European union (EU)	358,111	-	(179,712)	-	-	-	-	178,399
Swiss Development Cooperation (SDC)	-	180,000	(173,022)	-	(6,978)	-	-	-
Rosa Luxembourg Shtiftung	-	20,416	(20,399)	-	-	-	(17)	-
The Catholic Agency for Overseas Development	24,109	49,610	(7,456)	(44,385)	(850)	-	-	21,028
Spanish Cooperation - AECID	26,966	-	(31,703)	-	-	-	4,737	-
Irish Aid	88,406	84,662	-	(87,842)	(658)	-	-	84,568
Gruppo di Volontariato Civile (GVC)	6,313	-	(2,760)	-	-	(3,553)	-	-
	908,603	962,888	(1,006,273)	(232,223)	(21,278	(3,553)	4,720	612,884

12. Unrestricted contributions

Following are the details of unrestricted contributions:

	2018	2017
	U.S. $	U.S. $
Al Asfari corporation	41,310	-
Palestinian Ministry of Finance and Planning	4,000	-
Gruppo di Volontariato Civile (GVC)	3,553	4,458
Welfare Association	-	50,000
Union of Agricultural Work Committees	-	4,248
Palestinian Business Committee for Peace and Form	-	3,371
	48,863	62,077

13. Other revenues

	2018	2017
	U.S. $	U.S. $
Interest revenues	17,003	14,788
Refundable court fees	13,017	3,180
Application and court fees	3,319	1,979
Workshops revenue	399	7,524
Foreign currencies differences	-	120,200
Others	2,404	528
	36,142	148,199

14. Projects and general and administrative expenses

	Projects									General and administrative		
	Norwegian Refugee Council			UNDP	Spanish Cooperation - AECID	Swiss Development Cooperation	GVC - Gruppo di Volontariato Civile	Rosa Luxembourg Shtiftung	European Union and Cafod	Cafod, Irish Aid and Bread for the World-EED		
	Legal Assistance for Protection of Palestinians Affected by force displacement			Strengthening the rule of law in the Opt-Justice and security for Palestinian People	protecting the Rights of Jerusalemist "Economic and Social Aspects"	Human Rights & International Humanitarian law-core fund	Advocacy capacity trainings based on IHL/ and human rights.	Right to Water; Challenging the Privatization of Basic Services and Consequent Impact on Marginalized	Protecting Palestinian communities in Jerusalem and C Areas through legal support, raising awareness and advocacy	Support of the main program	Total 2018	Total 2017
	U.S. $	U.S. $	U.S. $	U.S. $	U.S. $	U.S. $	U.S. $	U.S. $	U.S. $	U.S. $	U.S. $	U.S. $
Salaries and staff related benefits	363,405	49,122	17,931	21,285	25,469	138,609	-	4,455	143,990	160,962	925,228	904,494
Legal assistance	84,826	5,763	838	-	-	3,294	117	-	17,618	705	113,161	176,782
Building capabilities	-	-	-	-	-	3,320	-	-	-	4,223	7,543	14,351
activities, conferences and legal advocacy	5,781	-	-	-	2,662	9,294	2,436	15,944	25,143	10,549	71,809	19,693
Rent and utilities	17,810	4,926	539	659	511	7,958	-	-	-	29,293	61,696	51,295
Travel and communication	5,552	1,639	550	1,241	992	6,122	-	-	17	7,568	23,681	28,407
Maintenance	6,050	107	-	267	291	2,700	-	-	-	3,623	13,038	20,553
Professional fees	-	-	-	-	1,607	191	-	-	400	11,113	13,311	13,754
Other administrative expenses	2,505	26	142	257	171	1,534	207	-	-	4,187	9,029	16,059
	485,929	61,583	20,000	23,709	31,703	173,022	2,760	20,399	187,168	232,223	1,238,496	1,245,388

15. Other expenses

	2018 U.S. $	2017 U.S. $
Foreign currencies differences	30,686	-
Provision for vacation	-	18,870
Income tax settlements	2,550	9,582
Other expenses	-	10,872
	33,236	39,324

16. Related party transactions

This item represents transactions with related parties. Related parties represent the Center's Board of directors, key management and entities controlled, jointly controlled or significantly influenced by such parties.
The statement of activities included the following transactions with related parties:

	2018 U.S. $	2017 U.S. $
Key management personnel compensation:		
Short-term benefits	100,128	97,524
End of service benefits and employees' saving fund	17,716	19,716

17. Fair values of financial instruments

Financial instruments comprise financial assets and financial liabilities, Financial assets consist of cash and cash equivalents, contributions receivable, and some other current assets, Financial liabilities consist of some other current liabilities.

The fair values of financial instruments are not materially different from their carrying values.

18. Risk management

Risks affecting the operation of the Center are credit risk, interest rate risk, foreign currency risk and liquidity risk. The Center's Board of Directors reviews and approves policies and procedures to manage these risks which summaries as followings:

Credit Risk

Credit risk related to contribution receivable is the risk that the donors or other parties will be unable to fulfil their obligations of transferring the amounts under the signed contracts, which comprise their carrying value.

With respect to credit risk arising from other financial assets including cash and cash equivalents and other financial assets, exposure to credit risk arises from the default of the counterparty. The maximum exposure is equal to the carrying amount of these financial assets.

Interest rate risk

The Center exposure to the risk of changes in interest rates relates primarily to financial assets and liabilities with floating interest rates. The financial assets and liabilities of the Center are subject to fixed interest rates; therefore, the Center assets and liabilities are not expected to interest rate risk.

Foreign currency risk

The table below indicates the Center's foreign currency exposure, as a result of its monetary assets and liabilities, The analysis calculates the effect of a reasonably possible movement of the U.S. $ currency rate against the foreign currencies with all other variables held constant, on the statement of activities and changes in net assets, The effect of decrease in foreign currency exchange rate is expected to be equal and opposite to the effect of the increase shown below:

	Increase exchange rate against the USD	Effect on the statement of activities and changes in net assets
	%	U.S. $
2018		
Euro	10	223,831
Pound Sterling	10	(4,454)
Israeli New Shekel	10	323,508
2017		
Euro	10	97,063
Israeli New Shekel	10	(716)

Liquidity risk

The Center limits its liquidity risk by maintaining adequate cash balances and funds from multiple donors to meet its current obligations and to finance its activities, Most of the Center's financial liabilities are due within a period of less than one year from the date of the financial statements.

19. Concentration of risk in geographic area

The Center is carrying its activities in Palestine. The political and economic situation in the area increases the risk of carrying out its activities and might adversely affect the Center's performance.