

**Women's Centre for  
Legal Aid and Counselling**

---

**Financial Statements  
and  
Auditor's Report**

**31 December 2012**

# Women's Centre for Legal Aid and Counselling

## Table of Contents

|                                   | <u>Page</u> |
|-----------------------------------|-------------|
| Auditor's Report                  | 1 - 2       |
| Statement of Financial Position   | 3           |
| Statement of Activities           | 4           |
| Statement of Change in Net Assets | 5           |
| Statement of Cash Flows           | 6           |
| Statement of Functional Expenses  | 7 – 8       |
| Notes To Financial Statements     | 9 – 16      |

## **Supplementary Information – Actual Expenses Versus Budget**

|   |    |
|---|----|
| Total Expenditures: Core and Special Projects | 17 |
| Capacity Building Unit                        | 18 |
| Research and Documentation Unit               | 19 |
| Service Unit                                  | 20 |
| Administration and General Unit               | 21 |

## INDEPENDENT AUDITOR'S REPORT

### **To the General Assembly Women's Centre for Legal Aid and Counselling**

We have audited the accompanying financial statements of the **Women's Centre for Legal Aid and Counselling (Not for Profit Institute)**, which comprise of the statement of financial position as of December 31, 2012, the statement of activities and change in net assets, statement of functional expenses, and cash flows 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 and the United States of America Statements on Financial Accounting Standards No. 116, and 117 applicable to not for profit organizations, 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.

#### *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 the centre's 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 the centre's 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 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 give a true and fair view of the financial position of **Women's Centre for Legal Aid and Councelling (Not for Profit Institute)** as of December 31, 2012, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the United States of America Statements on Financial Accounting Standards No. 116 and 117 applicable to not for profit organizations.

1  
*Saba & Co.*

**Deloitte & Touche (M.E.) \ Saba & Co.**

**Ramallah  
March 25, 2013**

## Women's Centre for Legal Aid and Counselling

## Statement of Financial Position

As of 31 December 2012

|  | Note | 2012<br>USD             | 2011<br>USD             |
|--|------|-------------------------|-------------------------|
| <b>Assets</b>  |      |                         |                         |
| Cash on Hand and at Banks  | 3    | 611,188                 | 332,208                 |
| Deposits with Banks Restricted for Staff Benefits                  | 3    | 1,022,397               | 848,812                 |
| Pledges Receivables  | 4    | 108,979                 | 209,044                 |
| Accounts Receivable  | 5    | 21,631                  | 75,888                  |
| Prepaid Expenses   |      | 26,985                  | 22,873                  |
| Property, Plant and Equipment - net<br>of Accumulated Depreciation | 6    | 671,995                 | 708,998                 |
| <b>Total Assets</b>  |      | <b><u>2,463,175</u></b> | <b><u>2,197,823</u></b> |
| <b>Liabilities and Net Assets</b>                                  |      |                         |                         |
| <b>Liabilities:</b>  |      |                         |                         |
| Payables and Accruals  | 7    | 178,066                 | 231,634                 |
| Deferred Grants  | 8    | 195,230                 | 143,092                 |
| Loan Payable   | 9    | 103,703                 | 135,717                 |
| Reserves for Staff Benefits  | 10   | 997,447                 | 885,029                 |
| <b>Total Liabilities</b>   |      | <b><u>1,474,446</u></b> | <b><u>1,395,472</u></b> |
| <b>Net Assets:</b>   |      |                         |                         |
| Unrestricted (Deficit)   |      | 91,756                  | (7,533)                 |
| Investment in Property, Plant and Equipment                        |      | 671,995                 | 708,998                 |
| Temporarily Restricted   | 14   | 224,978                 | 100,886                 |
| <b>Total Net Assets (Statement -C)</b>                             |      | <b><u>988,729</u></b>   | <b><u>802,351</u></b>   |
| <b>Total Liabilities and Net Assets</b>                            |      | <b><u>2,463,175</u></b> | <b><u>2,197,823</u></b> |

See Notes to Financial Statements

## Women's Centre for Legal Aid and Counselling

### Statement of Activities

Year Ended 31 December 2012

| Note  | Unrestricted<br>USD | Temporary<br>Restricted<br>USD | Total            |                  |                  |
|---|---------------------|--------------------------------|------------------|------------------|------------------|
|   |                     |                                | 2012<br>USD      | 2011<br>USD      |                  |
| <b>Operating Revenues:</b>                                    |                     |                                |                  |                  |                  |
| Grants  | 14                  | -                              | 1,947,369        | 1,947,369        | 2,112,862        |
| Grants portion to cover general overhead                      |                     | 19,719                         | -                | 19,719           | 39,142           |
| Other Revenues  | 11                  | 47,842                         | -                | 47,842           | 77,358           |
| <b>Total Operating Revenues</b>                               |                     | <b>67,561</b>                  | <b>1,947,369</b> | <b>2,014,930</b> | <b>2,229,362</b> |
| Net Assets Released from restrictions                         | 14                  | 1,823,277                      | (1,823,277)      | -                | -                |
|   |                     | <b>1,890,838</b>               | <b>124,092</b>   | <b>2,014,930</b> | <b>2,229,362</b> |
| <b>Program Expenses:</b>                                      |                     |                                |                  |                  |                  |
| Capacity Building   |                     | 299,892                        | -                | 299,892          | 160,987          |
| Research and Documentation                                    |                     | 265,685                        | -                | 265,685          | 340,519          |
| Services  |                     | 487,167                        | -                | 487,167          | 536,048          |
| Administration and General                                    |                     | 406,022                        | -                | 406,022          | 407,271          |
| <b>Total Core Expenses (Statement-E)</b>                      |                     | <b>1,458,766</b>               | <b>-</b>         | <b>1,458,766</b> | <b>1,444,825</b> |
| Special Projects (Statement-E)                                |                     | 343,593                        | -                | 343,593          | 636,403          |
| Depreciation  |                     | 46,109                         | -                | 46,109           | 55,677           |
|   |                     | <b>1,848,468</b>               | <b>-</b>         | <b>1,848,468</b> | <b>2,136,905</b> |
| Loss (Gain) on Currency Fluctuations                          |                     | (19,916)                       | -                | (19,916)         | (8,569)          |
| <b>Total Expenses</b>   |                     | <b>1,828,552</b>               | <b>-</b>         | <b>1,828,552</b> | <b>2,128,336</b> |
| <b>Increase in Net Assets During the Year (Statement - C)</b> |                     | <b>62,286</b>                  | <b>124,092</b>   | <b>186,378</b>   | <b>101,026</b>   |

See Notes to Financial Statements

**Women's Centre for Legal Aid and Counselling**

**Statement of Change in Net Assets**

**Year Ended 31 December 2012**

|  | <b>Investment<br/>in Property,<br/>Plant<br/>&amp; Temporary</b> |                  |                   | <b>Total</b>   |
|--|--|------------------|-------------------|----------------|
|  | <b>Unrestricted</b>  | <b>Equipment</b> | <b>Restricted</b> |                |
|  | <b>USD</b>   | <b>USD</b>       | <b>USD</b>        |                |
| Net Assets at January 1, 2012                          | (7,533)  | 708,998          | 100,886           | 802,351        |
| Excess (Deficit) for the Year (Statement - B)          | 62,286   | -                | 124,092           | 186,378        |
| Procurement of Property, net of sales                  | (9,106)  | 9,106            | -                 | -              |
| Depreciation Expense                                   | 46,109   | (46,109)         | -                 | -              |
| <b>Net Assets at December 31, 2012 (Statement - A)</b> | <b>91,756</b>  | <b>671,995</b>   | <b>224,978</b>    | <b>988,729</b> |
| Net Assets at January 1, 2011                          | (163,106)  | 746,085          | 87,842            | 670,821        |
| Excess (Deficit) for the Year (Statement - B)          | 87,982   | -                | 13,044            | 101,026        |
| Procurement of Property                                | (18,590)   | 18,590           | -                 | -              |
| Releases from grants refundable to donor               | 30,504   | -                | -                 | 30,504         |
| Depreciation Expense                                   | 55,677   | (55,677)         | -                 | -              |
| <b>Net Assets at December 31, 2011 (Statement - A)</b> | <b>(7,533)</b>   | <b>708,998</b>   | <b>100,886</b>    | <b>802,351</b> |

**See Notes to Financial Statements**

## Women's Centre for Legal Aid and Counselling

### Statement of Cash Flows

Year Ended 31 December 2012

|  | 2012             | 2011             |
|--|------------------|------------------|
|  | USD              | USD              |
| <b>Cash Flows from Operating activities:</b>   |                  |                  |
| Cash Received from Donors  | 2,067,153        | 1,968,013        |
| Other Revenues   | 47,842           | 77,358           |
| Cash Paid to Suppliers and Employees   | (1,621,310)      | (1,988,269)      |
|  | <b>493,685</b>   | <b>57,102</b>    |
| <b>Cash Flows from Investing Activities:</b>   |                  |                  |
| Procurement of Property  | (20,918)         | (18,590)         |
| Disposal of Vehicle  | 11,812           | -                |
|  | <b>(9,106)</b>   | <b>(18,590)</b>  |
| <b>Cash Flows from Financing Activities:</b>   |                  |                  |
| Settlement of Loan Payable   | (32,014)         | (29,422)         |
| <b>Cash Flows Used in Financing Activities</b>   | <b>(32,014)</b>  | <b>(29,422)</b>  |
| <br>   |                  |                  |
| <b>Increase (Decrease) in Cash and Banks During the Year</b>   | <b>452,565</b>   | <b>9,090</b>     |
| Cash on Hand and at Banks at Beginning of Year   | 1,181,020        | 1,171,930        |
| <b>Cash on Hand and at Banks at End of Year</b>  | <b>1,633,585</b> | <b>1,181,020</b> |
| <br>   |                  |                  |
| <b>Adjustments to Reconcile Change in Net Assets<br/>to Net Cash Provided by Operating Activities:</b> |                  |                  |
| Change in Net Assets   | 186,378          | 131,530          |
| Depreciation   | 46,109           | 55,677           |
| Provision for Severance Pay and Provident Fund, Net of Payment   | 112,418          | 27,347           |
| Decrease (Increase) in Accounts and Pledges Receivables  | 154,322          | (235,773)        |
| Increase (Decrease) in Deferred Grants   | 52,138           | 130,143          |
| Increase (Decrease) in Grants Refundable to Donors   | -                | (215,009)        |
| Increase (Decrease) in Payables and Accruals   | (53,568)         | 166,935          |
| Decrease (Increase) in Prepaid Expenses  | (4,112)          | (3,748)          |
| <b>Cash Provided by Operating Activities</b>   | <b>493,685</b>   | <b>57,102</b>    |

See Notes to Financial Statements



**Women's Centre for Legal Aid and Counselling**  
**Statement of Functional Expenses**  
Year Ended 31 December 2012

|   | Capacity<br>Building | Research<br>and<br>Documentation | Services       | Administration<br>and<br>General | Total            | Special<br>Projects | Total<br>2012    |
|---|----------------------|----------------------------------|----------------|----------------------------------|------------------|---------------------|------------------|
|   | USD                  | USD                              | USD            | USD                              | USD              | USD                 | USD              |
| <b>Salaries and Related Expenses:</b>     |                      |                                  |                |                                  |                  |                     |                  |
| Salaries                                  | 144,036              | 138,104                          | 285,791        | 236,204                          | 804,135          | 235,965             | <b>1,040,100</b> |
| Salary Related Expenses *                 | 39,412               | 35,079                           | 78,161         | 57,098                           | 209,750          | 9,197               | <b>218,947</b>   |
| <b>Salaries and Related Expenses:</b>     | <b>183,448</b>       | <b>173,183</b>                   | <b>363,952</b> | <b>293,302</b>                   | <b>1,013,885</b> | <b>245,162</b>      | <b>1,259,047</b> |
| <b>Occupancy Costs:</b>                   |                      |                                  |                |                                  |                  |                     |                  |
| Rent and insurance                        | -                    | -                                | 23,137         | -                                | 23,137           | 6,980               | <b>30,117</b>    |
| Utilities                                 | 7,089                | 6,527                            | 10,753         | 6,518                            | 30,887           | 1,358               | <b>32,245</b>    |
| Repairs and Maintenance                   | 4,280                | 4,282                            | 8,908          | 5,957                            | 23,427           | 21,180              | <b>44,607</b>    |
|   | <b>11,369</b>        | <b>10,809</b>                    | <b>42,798</b>  | <b>12,475</b>                    | <b>77,451</b>    | <b>29,518</b>       | <b>106,969</b>   |
| <b>Contractual Professional Services:</b> |                      |                                  |                |                                  |                  |                     |                  |
| Audit and Accounting Fees                 | -                    | -                                | -              | 18,559                           | 18,559           | -                   | <b>18,559</b>    |
| Legal and Court Fees                      | -                    | -                                | 7,880          | 13,216                           | 21,096           | 2,980               | <b>24,076</b>    |
| Consultancies, Research and Training      | 15,000               | 7,700                            | 24,441         | 24,277                           | 71,418           | 9,800               | <b>81,218</b>    |
| Coordination & volunteers                 | 15,049               | 13,970                           | -              | -                                | 29,019           | 14,874              | <b>43,893</b>    |
|   | <b>30,049</b>        | <b>21,670</b>                    | <b>32,321</b>  | <b>56,052</b>                    | <b>140,092</b>   | <b>27,654</b>       | <b>167,746</b>   |
| <b>Others:</b>                            |                      |                                  |                |                                  |                  |                     |                  |
| Hospitality and Workshops                 | 26,767               | 19,614                           | 6,879          | 15,921                           | 69,181           | 11,405              | <b>80,586</b>    |
| Printing, Stationery and Supplies         | 4,191                | 14,944                           | 5,936          | 6,680                            | 31,751           | 7,266               | <b>39,017</b>    |
| Media and Advertising                     | -                    | 4,134                            | -              | 5,480                            | 9,614            | 1,537               | <b>11,151</b>    |
| Transportation, Perdiem and Travel        | 35,948               | 16,602                           | 22,285         | 8,614                            | 83,449           | 11,558              | <b>95,007</b>    |
| Communication                             | 5,888                | 2,795                            | 10,721         | 5,431                            | 24,835           | 9,444               | <b>34,279</b>    |
| Emergencies and Safe home                 | -                    | -                                | 337            | -                                | 337              | -                   | <b>337</b>       |
| Bank Charges                              | 2,232                | 1,934                            | 1,938          | 2,067                            | 8,171            | 49                  | <b>8,220</b>     |
|   | <b>75,026</b>        | <b>60,023</b>                    | <b>48,096</b>  | <b>44,193</b>                    | <b>227,338</b>   | <b>41,259</b>       | <b>268,597</b>   |
| <b>Total Expenses (Statement - B)</b>     | <b>299,892</b>       | <b>265,685</b>                   | <b>487,167</b> | <b>406,022</b>                   | <b>1,458,766</b> | <b>343,593</b>      | <b>1,802,359</b> |

## Women's Centre for Legal Aid and Counselling

## Statement of Functional Expenses

Year Ended 31 December 2011

|   | Research                    |                | Administration |                |                  | Special<br>Projects | Total<br>2011    |
|---|-----------------------------|----------------|----------------|----------------|------------------|---------------------|------------------|
|   | Capacity<br>and<br>Building | Documentation  | Services       | General        | Total            |                     |                  |
|   | USD                         | USD            | USD            | USD            | USD              |                     |                  |
| <b>Salaries and Related Expenses:</b>     |                             |                |                |                |                  |                     |                  |
| Salaries                                  | 75,908                      | 180,890        | 304,210        | 261,878        | 822,886          | 249,844             | <b>1,072,730</b> |
| Salary Related Expenses *                 | 21,019                      | 55,889         | 76,156         | 68,721         | 221,785          | 5,823               | <b>227,608</b>   |
| <b>Salaries and Related Expenses:</b>     | <b>96,927</b>               | <b>236,779</b> | <b>380,366</b> | <b>330,599</b> | <b>1,044,671</b> | <b>255,667</b>      | <b>1,300,338</b> |
| <b>Occupancy Costs:</b>                   |                             |                |                |                |                  |                     |                  |
| Rent and insurance                        | -                           | -              | 27,124         | -              | 27,124           | -                   | <b>27,124</b>    |
| Utilities                                 | 4,365                       | 4,554          | 8,093          | 4,482          | 21,494           | 4,383               | <b>25,877</b>    |
| Repairs and Maintenance                   | 3,642                       | 3,253          | 13,343         | 3,255          | 23,493           | 2,443               | <b>25,936</b>    |
|   | <b>8,007</b>                | <b>7,807</b>   | <b>48,560</b>  | <b>7,737</b>   | <b>72,111</b>    | <b>6,826</b>        | <b>78,937</b>    |
| <b>Contractual Professional Services:</b> |                             |                |                |                |                  |                     |                  |
| Audit and Accounting Fees                 | -                           | -              | -              | 18,503         | 18,503           | 5,201               | <b>23,704</b>    |
| Legal and Court Fees                      | -                           | -              | 7,494          | 13,932         | 21,426           | -                   | <b>21,426</b>    |
| Consultancies, Research and Training      | 900                         | -              | 3,155          | 9,218          | 13,273           | 112,319             | <b>125,592</b>   |
| Coordination & volunteers                 | 9,321                       | 20,402         | 21,211         | -              | 50,934           | 26,840              | <b>77,774</b>    |
|   | <b>10,221</b>               | <b>20,402</b>  | <b>31,860</b>  | <b>41,653</b>  | <b>104,136</b>   | <b>144,360</b>      | <b>248,496</b>   |
| <b>Others:</b>                            |                             |                |                |                |                  |                     |                  |
| Hospitality and Workshops                 | 5,583                       | 15,738         | 15,813         | 5,424          | 42,558           | 45,325              | <b>87,883</b>    |
| Printing, Stationery and Supplies         | 11,022                      | 19,138         | 7,994          | 3,667          | 41,821           | 17,328              | <b>59,149</b>    |
| Media and Advertising                     | 251                         | 16,710         | -              | 4,149          | 21,110           | 21,369              | <b>42,479</b>    |
| Transportation, Perdiem and Travel        | 21,054                      | 18,015         | 32,423         | 7,208          | 78,700           | 30,679              | <b>109,379</b>   |
| Communication                             | 5,356                       | 3,501          | 16,363         | 4,417          | 29,637           | 3,022               | <b>32,659</b>    |
| Emergencies and Safe home                 | -                           | -              | 404            | -              | 404              | -                   | <b>404</b>       |
| Vehicle Cost                              | -                           | -              | -              | -              | -                | 16,450              | <b>16,450</b>    |
| Expenditure of local partners             | -                           | -              | -              | -              | -                | 95,257              | <b>95,257</b>    |
| Bank Charges                              | 2,566                       | 2,429          | 2,265          | 2,417          | 9,677            | 120                 | <b>9,797</b>     |
|   | <b>45,832</b>               | <b>75,531</b>  | <b>75,262</b>  | <b>27,282</b>  | <b>223,907</b>   | <b>229,550</b>      | <b>453,457</b>   |
| <b>Total Expenses (Statement - B)</b>     | <b>160,987</b>              | <b>340,519</b> | <b>536,048</b> | <b>407,271</b> | <b>1,444,825</b> | <b>636,403</b>      | <b>2,081,228</b> |

\* Salaries Related Expenses includes staff provident fund, severance pay, health insurance and staff development

# **Women's Centre for Legal Aid and Counselling**

## **Notes to Financial Statements**

**31 December 2012**

### **1. Organization:**

Women's Centre for Legal Aid and Counselling (WCLAC) which was established in 1991, is a not for profit local Palestinian organization dedicated to the service of women in areas of law, legal education and advice and personal counselling. It carries out its educational programmes, apprising women of their rights and status under law and provides potential remedies for various forms of abuse and discrimination in cooperation with other local institutions. The Centre may assist women in obtaining appropriate legal and medical services in extreme hardship cases. In addition to its educational and service activities, the Centre carries out legal research, procedures and brochures on the subject of women's rights and law. The Centre is registered with all concerned authorities of the Palestinian National Authority.

### **2. Summary of Significant Accounting Policies:**

#### **2.1 Preparation of Financial Statements:**

In the current year, WCLAC management considered all new and revised Standards and Interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of IASB, relevant to its activities, that were issued and effective for annual reporting periods ending on 31 December 2012. The application of the new standards and interpretations has no effect on the financial position or the results of operations of the WCLAC.

The financial statements have been prepared on the accrual basis of accounting and in conformity with International Financial Reporting Standards and the United States of America Statements on Financial Accounting Standards No. 116 and 117 applicable to not for profit organizations.

The net assets of WCLAC and changes therein are classified and reported in accordance with United States of America Statements on Financial Accounting Standards No. 116 and 117. "Financial Statements of Not-for-profit Organizations", which establish standards for external financial reporting by not-for-profit organizations.

Under the provision of these standards, net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. In order to ensure observance of limitations and restrictions placed on the use of the available resources, the accounts are maintained in accordance with the principles of fund accounting. Accordingly, net assets of WCLAC and changes therein are classified and reported as follows:

## 2. Summary of Significant Accounting Policies: (continued)

- **Unrestricted net assets** - Net assets whose use by WCLAC is not subject to donor-imposed restrictions.
- **Temporary restricted net assets** - Net assets whose use by the Centre is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and released by actions of WCLAC pursuant to those donor-imposed stipulations.
- **Revenues** are reported as increases in unrestricted net assets unless their use is limited by donor-imposed restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are classified as unrestricted net assets and reported as net assets released from restrictions.

### 2.2 Contributions:

Contributions are recognized as revenues when received. Pledges receivable represents expenses incurred prior to 31 December and reimbursed by donors subsequently. Deferred grants are those grants received for implementation of activities in the forthcoming years.

### 2.3 Foreign Currency Transactions:

The books of accounts are maintained in U.S. Dollar. Transactions which are denominated in other currencies are converted into U.S. Dollar as follows:

- Transactions which are expressed or denominated in other currencies are converted into U.S. Dollar equivalent using the exchange rate prevailing on the date of the transaction.
- Assets and liabilities which are denominated or expressed in other currencies are presented at their USD equivalent using the exchange rate prevailing on December 31, 2012 of NIS 3.73 and of Euro 1.318.
- All other assets and liabilities are presented in their USD equivalent at their historical values.
- Exchange differences arising from the translation of local currency balances is charged to the statement of activities.

### 2.4 Property, Plant and Equipment:

Property, plant and equipment are stated at cost net of accumulated depreciation. Depreciation is computed on a straight-line basis over the estimated useful lives of the respective assets. The yearly depreciation rates are ranging from 7% to 20%.

When the expected recoverable amount is less than the net book value, the property, plant and equipment amount is reduced to the lower of cost or net realizable value and the difference (if any) is included in the statement of activities.

The useful lives of property, plant and equipment are reviewed at the end of each year. In case the expected useful life is different from what was determined before, the change in estimate is recorded in the following years, being as a change in estimate.

Property, plant and equipment are disposed off when there is no expected future benefit from the use of that asset.

## 2. Summary of Significant Accounting Policies: (continued)

### 2.5 Severance Pay:

The Centre provides for severance pay by accruing for one month compensation for each year of service based on the last salary paid during the year.

### 2.6 Provident Fund:

The Centre has a defined provident fund plan, which covers all salaries employees. The contribution of the Centre and the employees is equal to 5% of their basic salaries.

**2.7 Estimates and assumptions:** The financial statements include certain estimates and assumptions made by management relating to reporting of assets, liabilities, at the statement of financial position date, and the reporting of revenue, expenses, gains, and losses during the year. Actual results may differ from those estimates adopted by the Centre's management. Estimates used in the preparation of the financial statements are the useful lives of property, plant and equipment and all other provisions.

**2.8 Functional Expenses** -The Centre allocates its expenses on a functional basis among its various programmes and general administration. Expenses that can be identified with a specific program or administration are charged directly. Other expenses that are common to several functions are allocated between functions based on the best estimates and judgment of management.

## 3. Cash on Hand and at Banks:

### Composition:

|  | <u>2012</u>             | <u>2011</u>           |
|--|-------------------------|-----------------------|
|  | <u>USD</u>              | <u>USD</u>            |
| Cash on Hand   | 1,464                   | 8,548                 |
| Deposits with Banks (overdrawn) in Israeli Shekel              | 9,858                   | (23,759)              |
| Deposits with Banks in US Dollar                               | 278,206                 | 339,009               |
| Deposits with Banks in EURO                                    | 321,660                 | 8,410                 |
|  | <u><b>611,188</b></u>   | <u><b>332,208</b></u> |
| Deposits with Banks in US Dollar restricted for Staff Benefits | <u><b>1,022,397</b></u> | <u><b>848,812</b></u> |

## 4. Pledges Receivable:

### Composition:

|  | <u>2012</u>           | <u>2011</u>           |
|--|-----------------------|-----------------------|
|  | <u>USD</u>            | <u>USD</u>            |
| UNDP   | 48,861                | --                    |
| NGO Development Center (NDC)                     | 29,000                | --                    |
| Shashat  | 7,355                 | --                    |
| Broken Families – UNDP                           | 7,117                 |                       |
| Novib – Sida                                     | 15,470                |                       |
| Ministry of Foreign Affairs of Iceland (ICELAND) | --                    | 43,000                |
| Drosos   | 1,176                 | 46,529                |
| EU-DCI-GENRE/2008/159-764, net of overhead       | --                    | 83,733                |
| SOROS-IHL  | --                    | 33,022                |
| DCAF   | --                    | 2,760                 |
| <b>Total</b>                                     | <u><b>108,979</b></u> | <u><b>209,044</b></u> |

**5. Accounts Receivables:****Composition:**

|                       | <u>2012</u>   | <u>2011</u>   |
|-----------------------|---------------|---------------|
|                       | <u>USD</u>    | <u>USD</u>    |
| Advances to Employees | 15,670        | 54,141        |
| Others                | 5,961         | 21,747        |
|                       | <u>21,631</u> | <u>75,888</u> |

**6. Property, Plant and Equipment—net of Accumulated Depreciation:****Composition:**

|                                   | <u>2012</u>      |                  |                  |                  |
|-----------------------------------|------------------|------------------|------------------|------------------|
|                                   | <u>Beginning</u> | <u>Additions</u> | <u>Disposals</u> | <u>Ending</u>    |
|                                   | <u>USD</u>       | <u>USD</u>       | <u>USD</u>       | <u>USD</u>       |
| <b>Fixed Assets:</b>              |                  |                  |                  |                  |
| Building and Building Improvement | 614,730          | -                | -                | 614,730          |
| MIS - Computer System             | 49,250           | -                | -                | 49,250           |
| Office Furniture                  | 100,195          | 7,562            | -                | 107,757          |
| Office Equipment                  | 302,630          | 13,356           | -                | 315,986          |
| Vehicles                          | 28,627           | -                | (28,627)         | --               |
|                                   | <u>1,095,432</u> | <u>20,918</u>    | <u>(28,627)</u>  | <u>1,087,723</u> |
| <b>Accumulated Depreciation</b>   | <u>(386,434)</u> | <u>(46,109)</u>  | <u>16,815</u>    | <u>(415,728)</u> |
| <b>Net</b>                        | <u>708,998</u>   |                  |                  | <u>671,995</u>   |

**Composition:**

|                                   | <u>2011</u>      |                  |                  |                  |
|-----------------------------------|------------------|------------------|------------------|------------------|
|                                   | <u>Beginning</u> | <u>Additions</u> | <u>Disposals</u> | <u>Ending</u>    |
|                                   | <u>USD</u>       | <u>USD</u>       | <u>USD</u>       | <u>USD</u>       |
| <b>Fixed Assets:</b>              |                  |                  |                  |                  |
| Building and Building Improvement | 614,730          | -                | -                | 614,730          |
| MIS - Computer System             | 49,250           | -                | -                | 49,250           |
| Office Furniture                  | 97,490           | 2,705            | -                | 100,195          |
| Office Equipment                  | 286,745          | 15,885           | -                | 302,630          |
| Vehicles                          | 28,627           | -                | -                | 28,627           |
|                                   | <u>1,076,842</u> | <u>18,590</u>    | <u>-</u>         | <u>1,095,432</u> |
| <b>Accumulated Depreciation</b>   | <u>(330,757)</u> | <u>(55,677)</u>  | <u>-</u>         | <u>(386,434)</u> |
| <b>Net</b>                        | <u>746,085</u>   |                  |                  | <u>708,998</u>   |

## 7. Payables and Accruals:

### Composition:

|                               | <u>2012</u>           | <u>2011</u>           |
|-------------------------------|-----------------------|-----------------------|
|                               | <u>USD</u>            | <u>USD</u>            |
| Professional Fees             | 22,374                | 19,315                |
| Payables and Accrued Expenses | 155,692               | 212,319               |
|                               | <u><b>178,066</b></u> | <u><b>231,634</b></u> |

## 8. Deferred Grants:

The balance of this account consists of grants received during the year and are designated for the budget of the next year. Composition of this account is as follows:

|             | <u>2012</u>           | <u>2011</u>           |
|-------------|-----------------------|-----------------------|
|             | <u>USD</u>            | <u>USD</u>            |
| Oxfam Novib | 129,730               | 96,472                |
| EED         | 65,500                | 46,620                |
|             | <u><b>195,230</b></u> | <u><b>143,092</b></u> |

## 9. Loan Payable:

In 2006, the Centre obtained a long term bank loan in the amount of U.S Dollar 265,000 to finance the cost of the building of the centre. The loan is being collateralized by the building and by a deposit in the amount of USD 100,000 (Part of the Centre's deposit earmarked for staff benefits). The loan bears interest at 8.46 % per annum and the loan repayments extends for 9 years starting 1 October 2006. Total amount of loan and associated interest for the nine years is USD 382,070 (principle USD 265,000 and interest USD 117,070)

The yearly repayments of the loan principle and interest were set to be USD 42,446.

Activities in the loan payable during the year 2012 is as follows:

|  | <u>Principle</u>      |
|--|-----------------------|
| Balance at beginning of the year               | 135,717               |
| Settlement during the year, excluding interest | (32,014)              |
| <b>Balance at end of year</b>                  | <u><b>103,703</b></u> |

**10. Reserve for Staff Benefits:****Composition:**

|   | <u>Severance<br/>Pay</u><br>USD | <u>Provident<br/>Fund</u><br>USD | <u>Vacation<br/>Allowance</u><br>USD |
|---|---------------------------------|----------------------------------|--------------------------------------|
| <b>Balance at Beginning of Year</b>                               | <b>585,575</b>                  | <b>344,896</b>                   | --                                   |
| Payments  | (36,562)                        | (14,168)                         | --                                   |
| Provision for the Year  | 84,501                          | 64,524                           | 33,371                               |
| <b>Balance at End of Year</b>                                     | <b>633,514</b>                  | <b>395,252</b>                   | <b>33,371</b>                        |
| Advances on Severance Pay / Staff<br>Loans as of 31 December 2012 | (64,690)                        | -                                | -                                    |
|   | <u><b>568,824</b></u>           | <u><b>395,252</b></u>            | <u><b>33,371</b></u>                 |

**11. Other Revenues:****Composition:**

|                                       | <u>2012</u><br>USD   | <u>2011</u><br>USD   |
|---------------------------------------|----------------------|----------------------|
| Bank Interest                         | 3,414                | 1,403                |
| Coordination and Training Fees        | 22,139               | 33,495               |
| Donations for expenses                | 8,078                | --                   |
| Sales of fixed assets                 | 1,393                | --                   |
| Donations from EED project # 20050005 | --                   | 13,955               |
| Local Partner Contribution            | --                   | 16,115               |
| Local and private donations           | 12,818               | 12,390               |
|                                       | <u><b>47,842</b></u> | <u><b>77,358</b></u> |



## **12. Financial instruments, fair values and risks management:**

- **Fair Values of Financial Assets and Liabilities:**

The carrying book values of financial assets and liabilities are not materially different from their fair values at the date of the statement of financial position.

- **Operational Risk**

The costs of the programs, administrative expenses as well as property, plant and equipment procurements are significantly financed by donors through donations. The management believes that the funding level in the year 2013 will be sufficient to significantly finance its disbursements and will be consistent with the funding level in the prior years. Furthermore, the management believes that the political and economical conditions prevailing in the area will not materially affect its operations.

- **Credit Risk:**

WCLAC credit risk is primarily attributable to its liquid funds and receivables. The credit risk on liquid funds is limited because they are placed with reputable financial institutions.

- **Interest Rate Risk**

WCLAC interest rate risk arises from the possibility that changes in market interest rates may affect the value of its interest bearing assets. The management of WCLAC usually monitors the fluctuation in interest rates in every individual currency in order to maximize the benefits from placements.

- **Currency Risk:**

Currency risk arises from the possibility that changes in the exchange rates may affect negatively the value of the financial assets and liabilities in case WCLAC does not hedge its currency exposure by means of hedging instruments. The management usually distributes its liquid assets over its functional currencies to minimize any possible loss from currency rates fluctuation.

## **13. Comparative Figures:**

Certain comparative figures were reclassified to conform to the current year presentation.

14. Releases from temporary restricted assets by funding source for the year ended 31 December 2012 is as follows:

|  | Grants         |                  |                  |                |                  |
|--|----------------|------------------|------------------|----------------|------------------|
|  | Unexpended     | Received         | Available        | Unexpended     | Disposed         |
|  | Grants as of   | & Pledged        |                  | Grants as of   | Grants           |
| 31-Dec-11  | 2012           | Grants           | 31-Dec-12        | in 2012        |                  |
|  | USD            | USD              | USD              | USD            | USD              |
| <b>Core Grants:</b>                                  |                |                  |                  |                |                  |
| Broederlijk  | -              | 38,700           | 38,700           | -              | 38,700           |
| The Norwegian Representative Office (NRO)            | -              | 443,608          | 443,608          | 72,737         | 370,871          |
| NGO Development Center (NDC)- Grant No. HRG.2.10.055 | -              | 319,000          | 319,000          | -              | 319,000          |
| EED  | -              | 144,116          | 144,116          | -              | 144,116          |
| UNDP, Net of Overhead                                | 38,422         | 43,151           | 81,573           | -              | 81,573           |
| Oxfam NOVIB  | 15,901         | 163,319          | 179,220          | -              | 179,220          |
| Ministry of Foreign Affairs of Iceland (ICELAND)     | -              | 50,000           | 50,000           | -              | 50,000           |
| Dan Church Aid                                       | -              | 25,229           | 25,229           | -              | 25,229           |
| Drosos, Net of Overhead                              | -              | 125,740          | 125,740          | -              | 125,740          |
| Caritas  | -              | 30,000           | 30,000           | -              | 30,000           |
| The French Consulate                                 | 12,715         | -                | 12,715           | -              | 12,715           |
| Open Society Institute (OSMENA)                      | -              | 100,000          | 100,000          | -              | 100,000          |
|  | <b>67,038</b>  | <b>1,482,863</b> | <b>1,549,901</b> | <b>72,737</b>  | <b>1,477,164</b> |
| <b>Other Grants / Special Projects:</b>              |                |                  |                  |                |                  |
| Australian   | -              | 20,000           | 20,000           | -              | 20,000           |
| COHRE  | 2,497          | -                | 2,497            | -              | 2,497            |
| Drosos   | -              | 100,106          | 100,106          | -              | 100,106          |
| Oxfam Novib (EU)                                     | -              | 183,455          | 183,455          | 77,251         | 106,204          |
| Shashat  | -              | 6,344            | 6,344            | -              | 6,344            |
| Soros- IHL   | -              | 18,922           | 18,922           | 6,719          | 12,203           |
| OSI-IHL  | -              | 37,500           | 37,500           | 25,054         | 12,446           |
| OSI -Broken Families, Net of Overhead                | 26,724         | 45,348           | 72,072           | 43,217         | 28,855           |
| UNDP -Broken Families, Net of Overhead               | 4,627          | 34,772           | 39,399           | -              | 39,399           |
| Novib - Sida   | -              | 15,470           | 15,470           | -              | 15,470           |
| DCAF   | -              | 2,589            | 2,589            | -              | 2,589            |
|  | <b>33,848</b>  | <b>464,506</b>   | <b>498,354</b>   | <b>152,241</b> | <b>346,113</b>   |
| <b>Total Funded by Temporary Restricted</b>          | <b>100,886</b> | <b>1,947,369</b> | <b>2,048,255</b> | <b>224,978</b> | <b>1,823,277</b> |

# Women's Centre for Legal Aid and Counselling

## Core Expenditures

### Actual Expenses versus Budget Year Ended 31 December 2012

|   | <u>Actual</u>    | <u>Budget</u>    | <u>(Over)</u><br><u>Under</u> |
|---|------------------|------------------|-------------------------------|
|   | <u>USD</u>       | <u>USD</u>       | <u>Budget</u><br><u>USD</u>   |
| <b>Salaries and Related Expenses:</b>     |                  |                  |                               |
| Salaries                                  | 804,135          | 820,593          | 16,458                        |
| Salary Related Expenses                   | 209,750          | 185,444          | (24,306)                      |
|   | <u>1,013,885</u> | <u>1,006,037</u> | <u>(7,848)</u>                |
| <b>Occupancy Costs:</b>                   |                  |                  |                               |
| Rent and Insurance                        | 23,137           | 24,037           | 900                           |
| Utilities                                 | 30,887           | 28,500           | (2,387)                       |
| Repairs and Maintenance                   | 23,427           | 26,000           | 2,573                         |
|   | <u>77,451</u>    | <u>78,537</u>    | <u>1,086</u>                  |
| <b>Contractual Professional Services:</b> |                  |                  |                               |
| Audit and Accounting Fees                 | 18,559           | 18,500           | (59)                          |
| Legal and Court Fees                      | 21,096           | 20,393           | (703)                         |
| Consultancies, Research and Training      | 71,418           | 75,460           | 4,042                         |
| Coordination                              | 29,019           | 60,490           | 31,471                        |
|   | <u>140,092</u>   | <u>174,843</u>   | <u>34,751</u>                 |
| <b>Others:</b>                            |                  |                  |                               |
| Hospitality and Workshops                 | 69,181           | 88,377           | 19,196                        |
| Printing, Stationery and Supplies         | 31,751           | 32,452           | 701                           |
| Media and Advertising                     | 9,614            | 9,780            | 166                           |
| Transportation, Perdiem and Travel        | 83,449           | 83,737           | 288                           |
| Communication                             | 24,835           | 29,176           | 4,341                         |
| Emergencies and Safe home                 | 337              | 1,000            | 663                           |
| Bank Charges                              | 8,171            | 9,500            | 1,329                         |
|   | <u>227,338</u>   | <u>254,022</u>   | <u>26,684</u>                 |
| Total expenditures                        | 1,458,766        | 1,513,439        | 54,673                        |
| Capital expenditures                      | 18,398           | 14,000           | (4,398)                       |
| <b>Total</b>                              | <u>1,477,164</u> | <u>1,527,439</u> | <u>50,275</u>                 |

# Women's Centre for Legal Aid and Counselling

## Capacity Building Unit

### Actual Expenses versus Budget Year Ended 31 December 2012

|   | Actual<br>USD  | Budget<br>USD  | (Over)<br>Under<br>Budget<br>USD |
|---|----------------|----------------|----------------------------------|
| <b>Salaries and Related Expenses:</b>     |                |                |                                  |
| Salaries                                  | 144,036        | 145,433        | 1,397                            |
| Salary Related Expenses                   | 39,412         | 32,046         | (7,366)                          |
|   | <b>183,448</b> | <b>177,479</b> | <b>(5,969)</b>                   |
| <b>Occupancy Costs:</b>                   |                |                |                                  |
| Utilities                                 | 7,089          | 6,300          | (789)                            |
| Repairs and Maintenance                   | 4,280          | 5,000          | 720                              |
|   | <b>11,369</b>  | <b>11,300</b>  | <b>(69)</b>                      |
| <b>Contractual Professional Services:</b> |                |                |                                  |
| Consultancies, Research and Training      | 15,000         | 14,610         | (390)                            |
| Coordination                              | 15,049         | 22,500         | 7,451                            |
|   | <b>30,049</b>  | <b>37,110</b>  | <b>7,061</b>                     |
| <b>Others:</b>                            |                |                |                                  |
| Hospitality and Workshops                 | 26,767         | 32,582         | 5,815                            |
| Printing, Stationery and Supplies         | 4,191          | 3,890          | (301)                            |
| Transportation, Perdiem and Travel        | 35,948         | 35,532         | (416)                            |
| Communication                             | 5,888          | 7,182          | 1,294                            |
| Bank Charges                              | 2,232          | 2,000          | (232)                            |
|   | <b>75,026</b>  | <b>81,186</b>  | <b>6,160</b>                     |
| Total expenditures                        | 299,892        | 307,075        | 7,183                            |
| Capital expenditures                      | 3,968          | 3,500          | (468)                            |
| <b>Total</b>                              | <b>303,860</b> | <b>310,575</b> | <b>6,715</b>                     |

## Women's Centre for Legal Aid and Counselling

### Research and Documentation Unit

#### Actual Expenses versus Budget Year Ended 31 December 2012

|   | Actual         | Budget         | (Over)<br>Under<br>Budget |
|---|----------------|----------------|---------------------------|
|   | USD            | USD            | USD                       |
| <b>Salaries and Related Expenses:</b>     |                |                |                           |
| Salaries                                  | 138,104        | 151,785        | 13,681                    |
| Salary Related Expenses                   | 35,079         | 28,037         | (7,042)                   |
|   | <b>173,183</b> | <b>179,822</b> | <b>6,639</b>              |
| <b>Occupancy Costs:</b>                   |                |                |                           |
| Utilities                                 | 6,527          | 6,300          | (227)                     |
| Repairs and Maintenance                   | 4,282          | 5,000          | 718                       |
|   | <b>10,809</b>  | <b>11,300</b>  | <b>491</b>                |
| <b>Contractual Professional Services:</b> |                |                |                           |
| Consultancies, Research and Training      | 7,700          | 7,200          | (500)                     |
| Coordination                              | 13,970         | 16,390         | 2,420                     |
|   | <b>21,670</b>  | <b>23,590</b>  | <b>1,920</b>              |
| <b>Others:</b>                            |                |                |                           |
| Hospitality and Workshops                 | 19,614         | 20,030         | 416                       |
| Printing, Stationery and Supplies         | 14,944         | 14,684         | (260)                     |
| Media and Advertising                     | 4,134          | 1,980          | (2,154)                   |
| Transportation, Perdiem and Travel        | 16,602         | 19,935         | 3,333                     |
| Communication                             | 2,795          | 3,664          | 869                       |
| Bank Charges                              | 1,934          | 2,000          | 66                        |
|   | <b>60,023</b>  | <b>62,293</b>  | <b>2,270</b>              |
| Total expenditures                        | 265,685        | 277,005        | 11,320                    |
| Capital expenditures                      | 2,909          | 2,500          | (409)                     |
| <b>Total</b>                              | <b>268,594</b> | <b>279,505</b> | <b>10,911</b>             |

## Women's Centre for Legal Aid and Counselling

### Service Unit

#### Actual Expenses versus Budget Year Ended 31 December 2012

|  | Actual<br>USD  | Budget<br>USD  | (Over)<br>Under<br>Budget<br>USD |
|--|----------------|----------------|----------------------------------|
| <b>Salaries and Related Expenses:</b>                |                |                |                                  |
| Salaries   | 285,791        | 306,237        | 20,446                           |
| Salary Related Expenses                              | 78,161         | 74,843         | (3,318)                          |
|  | <b>363,952</b> | <b>381,080</b> | <b>17,128</b>                    |
| <b>Occupancy Costs:</b>                              |                |                |                                  |
| Rent and Insurance                                   | 23,137         | 24,037         | 900                              |
| Utilities  | 10,753         | 9,600          | (1,153)                          |
| Repairs and Maintenance                              | 8,908          | 10,000         | 1,092                            |
|  | <b>42,798</b>  | <b>43,637</b>  | <b>839</b>                       |
| <b>Contractual Professional Services:</b>            |                |                |                                  |
| Legal and Court Fees                                 | 7,880          | 7,000          | (880)                            |
| Consultancies, Research and Training<br>Coordination | 24,441         | 24,200         | (241)                            |
|  | -              | 21,600         | 21,600                           |
|  | <b>32,321</b>  | <b>52,800</b>  | <b>20,479</b>                    |
| <b>Others:</b>                                       |                |                |                                  |
| Hospitality and Workshops                            | 6,879          | 13,860         | 6,981                            |
| Printing, Stationery and Supplies                    | 5,936          | 7,508          | 1,572                            |
| Transportation, Perdiem and Travel                   | 22,285         | 20,425         | (1,860)                          |
| Communication  | 10,721         | 13,325         | 2,604                            |
| Emergencies and Safe home                            | 337            | 1,000          | 663                              |
| Bank Charges   | 1,938          | 3,000          | 1,062                            |
|  | <b>48,096</b>  | <b>59,118</b>  | <b>11,022</b>                    |
| Total expenditures                                   | 487,167        | 536,635        | 49,468                           |
| Capital expenditures                                 | 6,833          | 4,500          | (2,333)                          |
| <b>Total</b>   | <b>494,000</b> | <b>541,135</b> | <b>47,135</b>                    |

## Women's Centre for Legal Aid and Counselling

### Administration and General Unit

#### Actual Expenses versus Budget Year Ended 31 December 2012

|   | <b>Actual</b>  | <b>Budget</b>  | <b>(Over)<br/>Under<br/>Budget</b> |
|---|----------------|----------------|------------------------------------|
|   | <b>USD</b>     | <b>USD</b>     | <b>USD</b>                         |
| <b>Salaries and Related Expenses:</b>     |                |                |                                    |
| Salaries                                  | 236,204        | 217,138        | (19,066)                           |
| Salary Related Expenses                   | 57,098         | 50,518         | (6,580)                            |
|   | <b>293,302</b> | <b>267,656</b> | <b>(25,646)</b>                    |
| <b>Occupancy Costs:</b>                   |                |                |                                    |
| Utilities                                 | 6,518          | 6,300          | (218)                              |
| Repairs and Maintenance                   | 5,957          | 6,000          | 43                                 |
|   | <b>12,475</b>  | <b>12,300</b>  | <b>(175)</b>                       |
| <b>Contractual Professional Services:</b> |                |                |                                    |
| Audit and Accounting Fees                 | 18,559         | 18,500         | (59)                               |
| Legal and Court Fees                      | 13,216         | 13,393         | 177                                |
| Consultancies, Research and Training      | 24,277         | 29,450         | 5,173                              |
|   | <b>56,052</b>  | <b>61,343</b>  | <b>5,291</b>                       |
| <b>Others:</b>                            |                |                |                                    |
| Hospitality and Workshops                 | 15,921         | 21,905         | 5,984                              |
| Printing, Stationery and Supplies         | 6,680          | 6,370          | (310)                              |
| Media and Advertising                     | 5,480          | 7,800          | 2,320                              |
| Transportation, Perdiem and Travel        | 8,614          | 7,845          | (769)                              |
| Communication                             | 5,431          | 5,005          | (426)                              |
| Bank Charges                              | 2,067          | 2,500          | 433                                |
|   | <b>44,193</b>  | <b>51,425</b>  | <b>7,232</b>                       |
| Total expenditures                        | 406,022        | 392,724        | (13,298)                           |
| Capital expenditures                      | 4,688          | 3,500          | (1,188)                            |
| <b>Total</b>                              | <b>410,710</b> | <b>396,224</b> | <b>(14,486)</b>                    |