

**Palestinian Circus Association**  
**Charitable Association**  
**Birzeit – Palestine**

**Independent Auditor's Report and**  
**Financial Statements**  
**For the year ended December 31, 2018**

**Talal Abu-Ghazaleh & Co.**  
**Certified Public Accountants**



**Palestinian Circus Association**  
**Charitable Association**  
**Birzeit – Palestine**

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**CONTENTS**

	<b><u>Page</u></b>
- Independent Auditor's Report	1-3
- Statement of Financial Position as of December 31, 2018 – Exhibit “A”	4
- Statement of Revenues and Expenses and Change in Net Assets for the period from September 1, 2017 to December 31, 2018 – Exhibit “B”	5
- Statement of Functional Expenses for the period from September 1, 2017 to December 31, 2018 – Exhibit “C”	6-7
- Statement of Cash Flows for the period from September 1, 2017 to December 31, 2018 – Exhibit “D”	8
- Notes to Financial Statements	9-18



**Independent Auditor's Report**

**To M/s Chairman and Members of Board of Directors  
Palestinian Circus Association - Charitable Association  
Birzeit – Palestine  
Report on the Audit of the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of **Palestinian Circus Association Birzeit – Charitable Association**, which comprise the statement of financial position as of December 31, 2018, and statement of revenues and expenses and change in net assets, Statement of Functional Expenses, and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

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

**Basis for our Opinion**

We conducted our audit in accordance with 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 association in accordance with the Code of Ethics for Professional Accountants registered under Board of Auditing Profession, which are in conformity with the code of ethics of accountants registered under Palestinian Association of Certified Public Accountants, in line with the ethical requirements related to our audit of the financial statements in Palestine, and we have fulfilled our other ethical responsibilities in accordance with those requirements.

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

**Emphasis of matter**

The financial year of the association for this year has been modified from August 31, 2018 to December 31, 2018 (adding 4 months to the last period), according to the bylaw of the association. Thus, the financial statements will be presented for the period from September 1, 2017 to December 31, 2018.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and requirements of Palestinian societies law, 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 Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Management is responsible for overseeing the Association'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.

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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates 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 Association'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 Association 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 management 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.

**Report on Other Legal and Regulatory Requirements.**

The Association keeps properly organized accounting records, and agreed with in all material respects, with the attached financial statements.

The engagement partner on the audit resulting in this independent auditor's report is the Executive Director, Jamal Milhem.

**Talal Abu-Ghazaleh & Co.**  
**License # (251/1997)**

**Jamal Milhem, CPA**  
**Certified Accountant License # (100/98)**  
**Ramallah – Palestine**  
**June 24, 2019**

  




**Palestinian Circus Association**  
**Charitable Association**  
**Birzeit – Palestine**  
**Statement of Financial Position as of December 31, 2018 – Exhibit "A"**

	<u>Note</u>	<u>December 31, 2018</u> NIS	<u>August 31, 2017</u> NIS
<b><u>Assets</u></b>			
<b><u>Current assets</u></b>			
Cash and cash equivalents	(3)	1,745,393	2,231,622
Grants receivables	(4)	650,491	865,922
Other accounts receivables	(5)	71,557	60,811
<b>Total current assets</b>		<b>2,467,441</b>	<b>3,158,355</b>
<b><u>Fixed assets</u></b>			
At cost	(6)	1,531,700	1,444,552
Less: Accumulated depreciation		(715,814)	(531,431)
<b>Net book value of fixed assets</b>		<b>815,886</b>	<b>913,121</b>
<b>Total assets</b>		<b>3,283,327</b>	<b>4,071,476</b>
<b><u>Liabilities and net assets</u></b>			
<b><u>Current liabilities</u></b>			
Accrued expenses and other accounts payables	(7)	35,928	38,098
<b>Total Current liabilities</b>		<b>35,928</b>	<b>38,098</b>
<b><u>Non-current liabilities</u></b>			
Provision for end of service indemnity	(2d,8)	22,583	144,302
<b>Total liabilities</b>		<b>58,511</b>	<b>182,400</b>
<b><u>Net Assets</u></b>			
Net assets at end of year – Exhibit "B"		2,858,162	2,847,124
Net assets-restricted	(9)	366,654	1,041,952
<b>Total net assets</b>		<b>3,224,816</b>	<b>3,889,076</b>
<b>Total liabilities and net assets</b>		<b>3,283,327</b>	<b>4,071,476</b>

*"The accompanying notes constitute an integral part of these financial statements"*

**Palestinian Circus Association**  
**Charitable Association**  
**Birzeit – Palestine**  
**Statement of Revenues and Expenses and Change in Net Assets**  
**for the period from September 1, 2017 to December 31, 2018 – Exhibit "B"**

		<u>For the period from</u> <u>September 1, 2017 to</u> <u>December 31, 2018</u>			<u>For the</u> <u>period from</u> <u>September</u> <u>1, 2016 to</u> <u>August 31,</u> <u>2017</u>
	<u>Note</u>	<u>Unrestricted</u> <u>NIS</u>	<u>Temporary</u> <u>restricted</u> <u>NIS</u>	<u>Total</u> <u>NIS</u>	<u>Total</u> <u>NIS</u>
<b><u>Operating Revenues</u></b>					
Temporary Restricted	(9)	--	1,444,035	1,444,035	1,339,086
Operating income	(11)	--	--	--	118,300
Membership fees- General Assembly		1,350	--	1,350	--
Other donations	(12)	696,518	--	696,518	407,576
Net assets released from restrictions	(9 +10)	2,146,207	(2,146,207)	--	--
<b>Total revenues</b>		<u>2,844,075</u>	<u>(702,172)</u>	<u>2,141,903</u>	<u>1,864,962</u>
Projects Expenses	(13)	(2,108,533)	--	(2,108,533)	(1,654,459)
General and Administrative Expenses	(13)	(784,909)	--	(784,909)	(127,632)
Currency Differences		72,556	26,874	99,430	--
<b>Total expenses</b>		<u>(2,820,886)</u>	<u>26,874</u>	<u>(2,794,012)</u>	<u>(1,782,091)</u>
Change in net assets during the year		23,189	(675,298)	(652,109)	82,871
Net assets beginning of year		2,847,124	1,041,952	3,889,076	3,806,205
Prior year adjustments		(12,151)	--	(12,151)	--
<b>Net assets ending of year – Exhibit "A"</b>		<u>2,858,162</u>	<u>366,654</u>	<u>3,224,816</u>	<u>3,889,076</u>

*"The accompanying notes constitute an integral part of these financial statements"*





Production Material Expense	--	--	--	--	--	120	--	120	--	120	870
Fashion and decorations Expense	200	6,461	--	--	--	659	412	7,320	412	7,732	9,309
Documentation Expense	11,600	--	--	--	--	--	--	11,600	170	11,770	9,295
Overtime Expense	7,902	6,907	8,021	--	--	8,075	19,427	30,905	633	50,332	74,234
Gifts Expense	110	--	--	--	--	265	--	375	--	1,008	7,154
Construction of facilities	--	6,066	--	--	--	--	--	6,066	--	--	20
Circus equipment and materials Expense	--	--	--	--	--	--	--	--	--	6,066	14,108
Office equipment and office expenses	--	15,290	851	320	211	5,467	41,526	4,253	5,227	46,753	477
Utility expenses (electricity, water, etc.)	--	4,253	--	--	--	--	4,253	--	--	4,253	35,209
IT services expenditure	19,387	--	--	--	--	--	--	--	9,879	9,879	4,531
Shipping and handling expenses	--	--	--	--	--	93,712	--	93,712	--	93,712	--
European Union Project Expense -- Nablus Circus	--	--	--	--	--	18,036	--	18,036	--	18,036	--
Grants Expense	623	355	--	--	--	10	3,979	988	--	4,967	--
Materials Expense	--	--	--	--	--	--	--	--	--	--	2,368
Welcoming bouquet Expense	--	--	--	--	--	--	--	--	--	--	5,160
Visa expense	--	--	--	--	--	--	--	--	--	--	1,362
Civil liability insurance Expense	--	--	--	--	--	529	11,880	529	900	1,429	580
Travel and accommodation costs and Expense	50	12,195	14,033	--	--	13,800	5,017	40,078	5,017	45,095	95,602
Donation Expense	--	--	--	--	--	--	--	--	--	--	3,879
Transportation of exhibitors and fans Expense	352	12,053	14,395	--	--	4,802	14,942	31,602	14,942	46,544	26,934
Export of circus equipment Expense	1,242	15,700	11,733	1,400	--	1,800	--	31,875	--	31,875	16,583
Theater rent Expense	--	1,400	--	--	--	--	--	1,400	--	1,400	21,022
Currency differences	(579)	2,795	(5,564)	--	(13)	5,853	--	2,492	--	2,492	87,948
Live Meetings Expenses	--	--	--	--	--	--	--	--	--	--	4,072
Security and safety Expense	5,071	--	--	--	--	--	--	5,071	--	5,071	3,800
Rental of shows platform Expense	--	--	--	--	--	--	--	--	--	--	16,400
Workshops Expenses	--	--	--	--	--	--	--	--	--	--	6,890
Sound design and lighting Expenses	--	11,700	--	--	--	--	--	21,380	--	21,380	--
Technical Manager's Expenses	--	6,966	--	9,680	--	--	13,518	6,966	--	20,484	--
Promotional Photo Session Expenses	--	570	--	--	--	--	--	570	--	570	--
Volunteers Expenses	4,057	--	--	--	--	--	--	4,057	--	4,057	--
Depreciation Expenses	--	--	--	--	--	--	--	184,383	949	184,383	--
Other expenses	--	--	--	--	--	--	--	--	949	949	435
<b>Total</b>	<b>401,469</b>	<b>426,429</b>	<b>426,429</b>	<b>32,709</b>	<b>21,269</b>	<b>561,693</b>	<b>47,678</b>	<b>2,108,533</b>	<b>784,909</b>	<b>2,893,442</b>	<b>1,654,459</b>
Purchase of fixed assets	--	27,979	--	2,050	--	3,915	3,730	37,674	49,474	87,148	63,845
<b>Total</b>	<b>401,469</b>	<b>426,429</b>	<b>426,429</b>	<b>34,759</b>	<b>21,269</b>	<b>565,608</b>	<b>51,408</b>	<b>2,146,207</b>	<b>834,383</b>	<b>2,980,590</b>	<b>1,718,304</b>

\* The item Salaries and Related Expenses consist of basic salaries in the amount of NIS 1,094,461 and the Related Expenses which represent different employees insurances in the amount of NIS 13,987, End of service expenses in the amount of NIS 103,495 and Tax Expense in the amount of NIS 17,054.

"The accompanying notes constitute an integral part of these financial statements"

**Palestinian Circus Association**  
**Charitable Association**  
**Birzeit – Palestine**  
**Statement of Cash flows**

*for the period from September 1, 2017 to December 31, 2018 – Exhibit "D"*

	<u>Note</u>	<u>The period from September 1, 2017 to December 31, 2018 NIS</u>	<u>The period from September 1, 2016 to August 31, 2017 NIS</u>
<b><u>Cash Flows from Operating Activities:</u></b>			
Net assets – Exhibit "B"		23,189	231,174
<b><u>Adjustments to reconcile change in net assets during the period to net cash provided from activities</u></b>			
Depreciation expenses	(6)	184,383	127,632
Provision for End of Service Indemnity	(8)	103,495	53,240
Prior year adjustments – End of Service Indemnity		(12,151)	--
<b>Net income</b>		<u>298,916</u>	<u>412,046</u>
<b><u>Change in current assets and current liabilities</u></b>			
Decrease in grants receivables		215,431	202,188
(Increase) in other accounts receivable		(10,746)	(40,314)
(Increase) decrease in accrued expenses and other accounts payables		(2,170)	17,988
Temporary restricted contribution		(675,298)	(148,303)
End of service paid to employees	(8)	(225,214)	(38,387)
<b>Total cash flows (used in) operating activities</b>		<u>(697,997)</u>	<u>(6,828)</u>
<b><u>Cash flows from investing activities</u></b>			
Purchase of fixed assets	(6)	(87,148)	(63,845)
<b>Total cash flows (used in) investing activities</b>		<u>(87,148)</u>	<u>(63,845)</u>
Net increase in cash and cash equivalents during the year		(486,229)	341,373
Cash and cash equivalents at beginning of the year		2,231,622	1,890,249
<b>Cash and cash equivalents – ending of year</b>	(3)	<u><u>1,745,393</u></u>	<u><u>2,231,622</u></u>

*"The accompanying notes constitute an integral part of these financial statements"*

**Palestinian Circus Association**  
**Charitable Association**  
**Birzeit – Palestine**  
**Notes to the Financial Statements**

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**1.1 Background:**

The Palestinian Circus Association is a charitable association, non-profit, non-governmental organization, established in 2006 and registered with the Palestinian Authority since February 2007.

The Palestinian Circus Association – Birzeit office was registered as a net profit organization with the Palestinian of Interior on February 18, 2007 under registration number RA-22480-S.

The association started with a group of volunteers that were introduced a simple training to few students. It has quickly turned into an effective institution in Birzeit, it carries out many weekly circus activities through its clubs in the West Bank, as well as numerous local and international shows.

The Palestine Circus Association - charitable association - considered as one of the most important cultural institutions in Palestine after six years of its founding.

**Vision**

The Palestinian Circus Association dreams of a society in which Palestinians engage in a dynamic cultural and artistic life that embraces creativity, freedom of expression and diversity as the main pillars for a just and inclusive society.

**Mission**

By training Palestinian children and youth in circus arts, the Palestinian Circus Association wants to develop a new art form in Palestine and strengthen the creative and physical potential of the Palestinians, seeking to engage and empower them to become constructive members of society. By creating and performing circus productions, we want to instill hope among the population, promote the freedom of expression and raise local and international awareness about the many challenges of the Palestinian society.

The financial statements for the year ended December 31, 2018 were approved from the management of PCS on July 10, 2019.

**2.1 The following projects implemented by the Palestine Circus Association:**

**1.2.1 Secours Catholic/Caritas France for the period from September 1, 2018 until August 31, 2019:**

**The main objectives of the project:**

- Strengthening the personal, social and national identity of the Palestinian children and youth through their active participation in cultural educational activities where creativity, freedom of expression respect for diversity, inclusion and gender equality are key values.
- Increasing the social, physical and creative skills of the students participating in the training.
- Raising awareness among the Palestinian society of the added value of engaging children and youth in cultural educational activities.

- Increasing recognition and respect among the Palestinian society of people with physical, mental or other disadvantages
- Increasing the pedagogical and artistic skills of the trainers of the PCS.

**Grant amount: EUR 60,000.**

**1.2.2 Drosos Foundation for the period from February 1, 2018 until December 31, 2018:**

**The main objectives of the project:**

Strengthening and sustaining a professional circus school in Palestine.

**Grant amount: USD 117,068.**

**1.2.3 Swedish International Development Cooperation Agency (SIDA) for the period from January 1, 2018 until December 31, 2018:**

**The main objectives of the project are to develop and spread circus arts in Palestine through:**

- Palestinian communities have access to performing arts productions and performances.
- Children and youth are socially and culturally engaged through learning and participating at Performing Arts.
- Enhanced capacity of performing arts institutions and their professional staff.

**Grant amount: SEK 992,385.**

**1.2.4 The Flemish Government for the period from July 1, 2018 to July 1, 2020:**

**The main objectives of the project:**

Contribute to the education of Palestinian children and teachers working in the circus of Palestine.

**Grant Amount: EUR 35,000.**

**1.2.5 Open Society Foundation through Palestinian Performing Arts Network for the period from October 1, 2018 to August 31, 2019:**

**The main objectives of the project:**

The Open Society Foundation seeks to promote democratic governance and to protect human rights amid entrenched regional conflicts and political restrictions.

**Grant amount: USD 37,125.**

**1.2.6 Swiss Development and Cooperation Agency for the period from October 1, 2017 to December 31, 2018.**

**The main objectives of the project:**

The establishment of a circus club in the city of Jerusalem, where the circus arts are taught to students from Jerusalem.

**Grant amount: NIS 181,300.**

**1.2.7 European Union for the period from January 15, 2017 to January 14, 2019**

**The main objectives of the project:**

Strengthening the capabilities of the Palestine Circus Association and the Small Circus - Nablus in the production of circus performances and presenting them to the public as well as the management and implementation of the International Circus Festival in 2018 and the presentation of presentations around the world.

**Grant amount: EURO 152,087.**

**2. Significant accounting policies:**

The financial statements were presented according to the International Financial Reporting Standards and the following are the significant accounting policies:

**a. Basis of preparation:**

The financial statements are prepared based on the historical cost using the full accrual accounting principle.

**b. Revenues recognition:**

Revenues received for matching general and administrative expenses and recorded in the statement of revenues and expenses as donation revenues.

**c. Fixed assets:**

Fixed assets are recorded at cost, depreciation is calculated by using the straight-line method over the estimated useful lives of the assets at the following estimated annual rates:

Furniture	20%-33%
Renovated old Building	10%
Improvements	10%
Computer & System	20%

**d. Provision for end of service indemnity:**

It's calculated to cover contractual and legal commitments of the employee's services. By labor-law applied in Palestine.

**e. Foreign currencies translations:**

(PCS) basic functional currency is NIS. Transactions in foreign currencies are translated at the rate prevailing at the time of each transaction. Monetary assets and liabilities in other currencies are translated into NIS. Exchange rates prevailing at the financial position date, gain and losses arising from these translations reflected in the statement of activities.

*The exchange rates of foreign currencies against the main currency were as follows:*

	<u>2018/12/31</u>	<u>2017/8/31</u>
	NIS	NIS
USD	0.26613	0.27995
EUR	0.23267	0.23383
JOD	0.18868	0.19792
GBP	0.21348	0.21639
SEK	0.41811	0.44957

**f. Revenues from unrestricted, restricted and temporarily restricted donations:**

Revenues from the unrestricted and temporarily restricted donations are recognized when related agreements are signed with donors.

**g. Expenses:**

Expenses are recognized when incurred using the accrual basis principle.

**h. The net assets of Society and changes are classified as follows:**

- **Unrestricted net assets:** Net assets used by Society are not subject to donor-imposed restrictions.
- **Temporarily restricted net assets:** Net assets used by Society is limited by donor-imposed stipulations, which could be removed either by passage of time or can be fulfilled and released by actions of Society pursuant to those donor-imposed- stipulations.

i. **Pledge receivable:**

Pledges receivable are recorded as the original amount of the unconditional pledges less amount received and any uncollectible pledges.

j. **Income taxes:**

Palestinian Circus School Association (PCS) is a non-profit-organization and it is exempted from income tax.

k. **Cash and cash equivalents:**

- The cash flows statement is prepared using the indirect method.
- Cash and cash equivalents include cash in hand and current accounts with banks.

3. **Cash and cash equivalent:**

This item consists of:

	<u>December</u> <u>31, 2018</u>	<u>August</u> <u>31, 2017</u>
	NIS	NIS
Cash in hand	8,000	12,653
TNB – (DROSOS) - USD	67,526	637,673
TNB – (DROSOS) - NIS	83,143	38
TNB – NIS	39,155	93,095
TNB – USD	1,318,659	284,890
TNB – EURO	513,521	1,219,315
TNB – POUND	22,443	--
<b>Total cash in hand and at banks</b>	<b>2,052,447</b>	<b>2,247,664</b>
Outstanding checks matured within 3 months	(359,731)	(16,042)
Checks in hand	52,677	--
<b>TOTAL</b>	<b>1,745,393</b>	<b>2,231,622</b>

4. **Grants receivables:**

This item consists of:

	<u>December</u> <u>31, 2018</u>	<u>August</u> <u>31, 2017</u>
	NIS	NIS
Ministry of Culture	45,000	45,000
International Committee of the Red Crescent	--	8,981
SDC	--	36,300
DROSOS Foundation	50,158	36,166
European Commission	65,364	409,125
CARITAS	128,934	192,554
SIDA	135,582	137,796
PPAN - OSF	139,497	--
FLEMISH Government	85,956	--
<b>TOTAL</b>	<b>650,491</b>	<b>865,922</b>

5. **Other account receivables:**

This item consists of:

	<b><u>December</u></b> <b><u>31, 2018</u></b>	<b><u>August 31,</u></b> <b><u>2017</u></b>
	NIS	NIS
Al-Takaful Company - Work Injury	1,263	1,263
Accounts receivable - Employees	2,378	52,806
Prepaid insurance expense	32,748	1,038
Prepaid Al-HAKAWATI Theatre*	4,300	--
Prepaid Income Tax Department	--	--
Other account receivables	3,014	4,300
Prepaid Student Insurance Expenses	27,854	454
Other Accounts Receivables	--	950
<b>TOTAL</b>	<b><u>71,557</u></b>	<b><u>60,811</u></b>

\* This amount represents a payment from the Palestine Circus Association, a charitable society, for the usage of the HAKAWATI Theater.

6. **Fixed assets:**

This item consists of

	<b><u>Furniture</u></b> <b><u>and</u></b> <b><u>equipment</u></b>	<b><u>Renovated</u></b> <b><u>Old</u></b> <b><u>Building</u></b>	<b><u>Improveme</u></b> <b><u>nts</u></b>	<b><u>Computer</u></b> <b><u>and system</u></b>	<b><u>Total</u></b>
<b><u>Cost</u></b>	NIS	NIS	NIS	NIS	NIS
Balance as of September 1, 2017	777,107	606,374	47,021	14,050	1,444,552
Additions	64,591	--	--	22,557	87,148
<b>Balance at December 31, 2018</b>	<b><u>841,698</u></b>	<b><u>606,374</u></b>	<b><u>47,021</u></b>	<b><u>36,607</u></b>	<b><u>1,531,700</u></b>
<b><u>Accumulated depreciation</u></b>					
Balance as of September 1, 2017	392,440	121,274	11,048	6,669	531,431
Depreciation	90,107	80,906	6,541	6,829	184,383
<b>Balance at December 31, 2018</b>	<b><u>482,547</u></b>	<b><u>202,180</u></b>	<b><u>17,589</u></b>	<b><u>13,498</u></b>	<b><u>715,814</u></b>
<b><u>Net book value</u></b>					
<b>Balance at December 31, 2018</b>	<b><u>359,151</u></b>	<b><u>404,194</u></b>	<b><u>29,432</u></b>	<b><u>23,109</u></b>	<b><u>815,886</u></b>
<b>Balance at August 31, 2017</b>	<b><u>384,667</u></b>	<b><u>485,100</u></b>	<b><u>35,973</u></b>	<b><u>7,381</u></b>	<b><u>913,121</u></b>

7. **Accrued Expenses and other accounts payables:**

This item consists of:

	<u>December</u> <u>31, 2018</u>	<u>August</u> <u>31, 2017</u>
	NIS	NIS
Other accounts accrued for projects	6,763	28,862
Accrued expenses	18,246	9,136
Income tax deductions - (salaries)	561	
Others	10,358	100
<b>TOTAL</b>	<u><u>35,928</u></u>	<u><u>38,098</u></u>

8. **Provision for end of Service indemnity:**

This item consists of:

	<u>December</u> <u>31, 2018</u>	<u>August</u> <u>31, 2017</u>
	NIS	NIS
Balance, beginning of year	144,302	129,449
End of service expense	103,495	53,240
Payment to employees*	(225,214)	(38,387)
<b>Balance at end of the year</b>	<u><u>22,583</u></u>	<u><u>144,302</u></u>

\* During the year 2018, all end of service indemnity dues to employees was paid, in accordance with the Social Security Law, which was later canceled after the payment of dues.

9. **Restricted Assets:**

This item consists of:

<u>The Description</u>	<u>Beginning</u> <u>balance</u> <u>1/9/2017</u> <u>NIS</u>	<u>Additions</u> <u>or</u> <u>Discounts</u> <u>NIS</u>	<u>Revenue</u> <u>earned</u> <u>NIS</u>	<u>Currency</u> <u>Differences</u> <u>NIS</u>	<u>The end</u> <u>balance</u> <u>31/12/2018</u> <u>NIS</u>
SIDA	297,191	336,142	(627,229)	(6,104)	--
Caritas	192,554	355,283	(401,469)	3,855	150,223
European Union	517,450	45,286	(565,609)	2,873	--
SDC	34,757	--	(34,758)	1	--
PPAN - OSF Flemish	--	137,741	(51,408)	1,164	87,497
Government PPAN -	--	144,893	(21,269)	5,310	128,934
Initiatives Drosos	--	17,317	(18,036)	719	--
Foundation	--	407,373	(426,429)	19,056	--
<b>TOTAL</b>	<u><u>1,041,952</u></u> =====	<u><u>1,444,035</u></u> =====	<u><u>(2,146,207)</u></u> =====	<u><u>26,874</u></u> =====	<u><u>366,654</u></u> =====



**10. Grant and donations:**

This item consists of:

	<u>For the period from September 1, 2017 to December 31, 2018</u> NIS	<u>August 31, 2017</u> NIS
Caritas	401,469	188,716
Drosos Foundation	426,429	630,919
European Union	565,609	74,339
Swiss Agency for Development and Cooperation (SDC)	34,758	146,543
The Danish House and Center for Development and Culture	--	53,699
Palestinian Ministry of Culture	--	45,000
Goethe Foundation	--	8,442
Red Cross Society	--	8,981
Swedish International Development Agency (SIDA)	627,229	291,343
The Danish House in Palestine	--	39,407
PPAN - Initiatives	18,036	--
Flemish Government	21,269	--
PPAN - OSF	51,408	--
<b>TOTAL</b>	<u><u>2,146,207</u></u>	<u><u>1,487,389</u></u>

**11. Operational Income:**

This item consists of:

	<u>For the period from September 1, 2017 to December 31, 2018</u> NIS	<u>August 31, 2017</u> NIS
Income from student fees	--	50,667
Income from Circus shows	--	36,789
Income from workshops & trainings	--	16,684
Sales of T-Shirts	--	7,242
Use of the PCS facilities	--	1,923
Other revenues	--	4,995
<b>TOTAL</b>	<u><u>--</u></u>	<u><u>118,300</u></u>

12. **Others Donations:**  
This item consists of:

	<u>For the period from September 1, 2017 to December 31, 2018</u>	<u>August 31, 2017</u>
	NIS	NIS
Jawwal Company	26,005	--
Sky Advertising Company	47,942	--
Klaprozen voor Verde	151,887	127,324
National Bank (TNB)	21,492	--
Donation of theatrical performances 2018	53,401	--
Donations from private sectors and individuals	191,972	--
Donations and contributions from circus students	66,508	--
Wales Arts International	10,311	--
Circus Caravan Network	--	15,673
Arab Child House Foundation	7,020	--
Birzeit Pharmaceutical Industries	--	18,887
Friends of Palestine Circus School	--	122,259
Circus Zonder Handen	23,597	119,841
The Danish House in Palestine	7,236	--
Zaltim Banq Zirkus – Caravan	4,389	--
Donations from abroad parties	84,758	--
Other donations	--	3,592
<b>TOTAL</b>	<b><u>696,518</u></b>	<b><u>407,576</u></b>



Documentation Expense	11,600	--	--	--	--	--	--	--	11,600	170	11,770	9,295
Overtime Expense	7,902	8,021	6,907	--	--	--	--	--	30,905	19,427	50,332	74,234
Gifts Expense	110	--	--	--	--	--	--	--	375	633	1,008	7,154
Construction of facilities	--	--	6,066	--	--	--	--	--	6,066	--	--	20
Circus equipment and materials Expense	--	--	--	--	--	--	--	--	--	--	6,066	14,108
Office equipment and office expenses	--	--	--	--	--	--	--	--	--	140	140	477
Utility expenses (electricity, water, etc.)	19,387	851	15,290	320	211	5,467	41,526	46,753	4,253	5,227	4,253	35,209
IT services expenditure	--	--	4,253	--	--	--	--	--	--	9,879	9,879	4,531
Shipping and handling expenses	--	--	--	--	--	--	--	--	93,712	--	93,712	--
European Union Project Expense – Nablus Circus	--	--	--	--	--	--	18,036	18,036	18,036	--	18,036	--
Grants Expense	623	--	355	--	--	10	988	3,979	988	3,979	4,967	2,368
Materials Expense	--	--	--	--	--	--	--	--	--	--	--	5,160
Welcoming bouquet Expense	--	--	--	--	--	--	--	--	--	--	--	1,362
Visa expense	--	--	--	--	--	--	--	--	--	--	--	580
Civil liability insurance Expense	--	--	--	--	--	--	--	--	--	11,880	11,880	95,602
Travel and accommodation costs and Expense	--	--	--	--	--	529	529	900	529	900	1,429	3,879
Donation Expense	50	14,033	12,195	--	--	13,800	40,078	5,017	40,078	5,017	45,095	26,934
Transportation of exhibitors and fans Expense	352	14,395	12,053	--	--	4,802	31,602	14,942	31,602	14,942	46,544	16,583
Export of circus equipment Expense	1,242	11,733	15,700	1,400	--	1,800	31,875	--	1,400	--	1,400	21,022
Theater rent Expense	--	--	1,400	--	--	5,853	2,492	--	2,492	--	2,492	87,948
Currency differences	(579)	(5,564)	2,795	--	(13)	--	--	--	--	--	--	4,072
Live Meetings Expenses	--	--	--	--	--	--	5,071	--	5,071	--	5,071	3,800
Security and safety Expense	5,071	--	--	--	--	--	--	--	--	--	--	16,400
Rental of shows platform Expense	--	--	--	--	--	--	--	--	--	--	--	6,890
Workshops Expenses	--	--	--	--	--	--	--	--	--	--	--	--
Sound design and lighting Expenses	--	--	11,700	--	--	--	--	--	21,380	--	21,380	--
Technical Manager's Expenses	--	--	6,966	9,680	--	--	6,966	13,518	6,966	13,518	20,484	--
Promotional Photo Session Expenses	--	--	570	--	--	--	570	--	570	--	570	--
Volunteers Expenses	4,057	--	--	--	--	--	4,057	--	4,057	--	4,057	--
Depreciation Expenses	--	--	--	--	--	--	--	184,383	--	184,383	184,383	--
Other expenses	--	--	--	--	--	--	--	949	--	949	949	435
<b>TOTAL</b>	<b>401,469</b>	<b>426,429</b>	<b>599,250</b>	<b>18,036</b>	<b>21,269</b>	<b>561,693</b>	<b>2,108,533</b>	<b>784,909</b>	<b>2,108,533</b>	<b>784,909</b>	<b>2,893,442</b>	<b>1,654,459</b>
Purchase of fixed assets	--	--	27,979	--	--	3,915	37,674	49,474	37,674	49,474	87,148	63,845
<b>TOTAL</b>	<b>401,469</b>	<b>426,429</b>	<b>627,229</b>	<b>18,036</b>	<b>21,269</b>	<b>565,608</b>	<b>2,146,207</b>	<b>834,383</b>	<b>2,146,207</b>	<b>834,383</b>	<b>2,980,590</b>	<b>1,718,304</b>

\* The item Salaries and Related Expenses consist of basic salaries in the amount of NIS 1,094,461 and the Related Expenses which represent different employees insurances in the amount of NIS 13,987. End of service expenses in the amount of NIS 103,495 and Tax Expense in the amount of NIS. 17,054

#### 14. General

Certain comparative figures have been reclassified to comply with current year presentation.