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The National Project for the Ethiopian Community in Israel Ltd (CIC)

Financial Statements as of December 31, 2012

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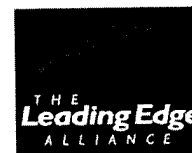
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**The National Project for the
Ethiopian Community in Israel Ltd (CIC)**

Financial Statements as of December 31, 2012

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Auditors' Report
to the Shareholders of
The National Project for the
Ethiopian Community in Israel Ltd (CIC)

We have audited the accompanying balance sheets of The National Ethiopian Community in Israel Ltd (CIC). (hereafter: "the Company" as of December 31, 2012 and 2011 the statements of activities, and the statements of changes in net assets for the years then ended. These financial statements are the responsibility of the Company's Board of Directors and management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Israeli Generally Accepted Auditing Standards, including those prescribed by the Auditors' Regulations (Auditor's Mode of Performance) – 1973. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes an examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Executive and management of the association, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2012 and 2011 the results of its activities, and the changes in net assets for the years then ended, according to Israeli GAAP.

Shalvi, Kop & Co.
Certified Public Accountants, (Isr.)

Jerusalem,

**The National Project for the
Ethiopian Community in Israel Ltd (CIC)**

Balance Sheet

(New Israeli Shekels)

	As of December 31	
	2012	2011
<u>Current Assets</u>		
Cash and Cash Equivalents	13,722,347	15,387,732
Debtors and Debit Balances	761,384	547,614
	14,483,731	15,935,346
<u>Fixed Assets</u>	23,655	31,962
<u>Other Assets</u>	---	4,303
	14,507,386	15,971,611
<u>Current Liabilities</u>		
Service Providers	5,679,741	5,497,411
Creditors and Credit balances	176,319	217,699
	5,856,060	5,715,110
<u>Long Term Liabilities</u>		
Provision for Severance Pay	2,665	6,381
<u>Net Assets</u>		
Capital Share	7	7
<u>Unrestricted Assets</u>		
Used for Current Activites	8,396,434	8,938,803
Used for Fixed and other Assets	23,655	36,265
	8,420,089	8,975,068
<u>Temporarily restricted net assets</u>	228,565	1,275,045
Net Assets	8,648,661	10,250,120
	14,507,386	15,971,611

Date

Director-General

**The National Project for the
Ethiopian Community in Israel Ltd (CIC)**

Statements on Activities

(New Israeli Shekels)

	For the Year Ending December 31	
	2012	2011
Activities Turnover	22,112,111	16,252,780
Cost of Activities	20,208,743	18,044,583
Net Income (Deficit) from Activities	1,903,368	(1,791,803)
Administrative and General Expenses	2,400,323	2,707,177
Net Income (Deficit) for the year before Finance	(496,955)	(4,498,980)
Financial income (expenses), net.	(39,025)	375,354
Net Income (Deficit) for the year after Finance	(535,980)	(4,123,626)
Other expenses from previous years	(18,999)	---
Net Income (Deficit) For the Year	(554,979)	(4,123,626)