


AUDITOR'S REPORT
TO MEMBERS OF
THE ECONOMIC COOPERATION FOUNDATION

We have audited the attached balance sheets of the Economic Cooperation Foundation as at 31 December 2013 and 2012, the reports of activities, the reports on changes in net assets and cash flow reports for each of the years ended at the same dates. These financial statements are the responsibility of the management of the foundation. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards, including those prescribed under the auditor's 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 report is free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial report.

An audit also includes assessing the accounting principles used and significant estimates made by the economic cooperation foundation's management, as well as evaluating the overall financial report presentation. We believe that our audits provide a fair basis for our opinion.

In our opinion, based on our audits the aforementioned financial statements present fairly, in all material aspects, the financial position of the Economic Cooperation Foundation as at 31 December 2013, 2012 the results of its activities, the changes in the net assets and changes in the cash flow reports for each of the years ended on the same dates on the basis of the historical cost method in nominal values.


Hagai Nivron
Certified public accountants

Economic Cooperation Foundation
Balance sheet
As at December 31, 2013
N.I.S

	<u>Note</u>	<u>As at December</u>	<u>31</u>
		<u>2013</u>	<u>2012</u>
<u>Current Assets</u>			
Cash & Short term deposits		229,612	242,327
Miscellaneous receivables		<u>245,304</u>	<u>826,168</u>
	3	474,916	1,068,495
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Fixed Assets – Net	4	749,249	216,364
Total assets		<u><u>1,224,165</u></u>	<u><u>1,284,859</u></u>
<u>Current Liabilities</u>			
Short term credit		460,090	-
Suppliers	5	221,515	336,471
Miscellaneous creditors		491,264	583,841
	6	<u>1,172,869</u>	<u>920,312</u>
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Long-term loan		179,224	-
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Long term employee related obligations		161,690	168,088
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<u>Net Assets</u>			
Net assets without limitations –			
Net (deficit)		(794,945)	(1,133,810)
Net assets with			
Temporary limitations		<u>505,329</u>	<u>1,330,269</u>
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		(289,616)	196,459
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Total liabilities and net assets		<u><u>1,224,165</u></u>	<u><u>1,284,859</u></u>

The accompanying notes form an integral part of these financial statements.

Economic Cooperation Foundation
Report of the activities
For the Year ended December 31, 2013
N.I.S

		<u>For the Year ended December 31</u>	
	<u>List</u>	<u>2013</u>	<u>2012</u>
Turnover of activities	A	5,688,034	5,865,647
Cost of activities	B	<u>4,758,629</u>	<u>5,467,446</u>
Surplus from activities		929,405	398,201
General and Administrative Expenses	C	<u>(586,099)</u>	<u>752,637</u>
Surplus (Deficit) for the period Before Financial expenses		343,306	(354,436)
Financial expenses - Net		<u>(56,850)</u>	<u>(37,270)</u>
Surplus (Deficit) from activities After Financial Expenses		286,456	(391,706)
Other Income (Expenses) - Net		52,409	(9,512)
Net Surplus (deficit) for the period		<u>338,865</u> =====	<u>(401,218)</u> =====

The accompanying notes form an integral part of these financial statements.