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**Karmeit Chessed**

**(Registered Organization 580431138)**

**Financial Reports for Fiscal Year of 2010**

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**Financial Reports for Fiscal Year of 2010**

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**Certified Public Accountant Report**

**To**

**Members of the Board**

**Karmeï Chessed—Registered Organization 580431138**

We have reviewed the attached balance sheets of Karmeï Chessed (henceforth, the organization) of December 31, 2010 and 2009, as well as the activity report and changes in free assets for the year that terminated on this date. The veracity of these reports is the sole responsibility of the organization; our responsibility is to express an opinion on the above reports based on our official review.

We conducted our review in accordance with the accepted laws, included Accountancy Laws of 1973. According to the above, we are required to plan and execute our review with the goal of ensuring that these reports do not contain any essential errors and also conduct a general overview, including a sample check of proofs supporting the data and information included in the reports.

In addition, this review also includes an assessment of the implemented account rules; the significant estimates made by the organization's administration; and an appraisal of the general presentation of the financial reports. We believe that our review provides us with a clear basis to express our opinion.

In our opinion, these financial reports clearly present all essential aspects of the financial state of the organization from December 31, 2009-2010, in accordance with accepted accountancy practice, as well as the results of its activities for each of the years that ended on these dates.

These financial reports are constructed based on nominal values. Information about the influence on the purchase power of the Israeli currency regarding this report are not included in this financial report.

Avigail Shikuvitzky, C.P.A.

Date: \_\_\_\_\_

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**Karmeit Chessed—Registered Organization 580431138**

**Balance**

**NIS**

For December 31

	Explanation	2010	2009
<u>Quick Assets</u>			
Cash and cash equivalents		59,207	8,260
Fixed Assets	3	5,222	3,223
		<hr/>	<hr/>
<b><u>Total Assets</u></b>		<b>64,429</b>	<b>11,483</b>
<b><u>Current Liabilities</u></b>			
Checks to be paid		1,430	0
<b><u>Surplus in Net Assets</u></b>			
Surplus in net assets, unlimited until end of year		62,999	11,483
		<hr/>	<hr/>
<b>Total liabilities and assets</b>		<b>64.429</b>	<b>11,483</b>

The attached explanations are an indistinguishable aspect of this financial report.

\_\_\_\_\_  
 Board Member

\_\_\_\_\_  
 Board Member

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**Karmeit Chessed—Registered Organization 580431138**

**Activity Report and Changes in Net Assets**

**NIS**

For the Period that Ended on

December 31

	Explanation	2010	
<b>Income</b>			
Support for needy	4	<b>393,953</b>	<b>177,877</b>
<b>Activity results</b>		<u>248,714</u>	<u>106,547</u>
Activity expenses	5	<b>145,239</b>	<b>71,330</b>
Administrational and general expenses	6	65,960	45,350
Results of activities prior to funding		<u>26,722</u>	<u>19,986</u>
Bank income (expenses)		52,557	5,994
<b>Annual surplus</b>		<u>-1,041</u>	<u>-1,110</u>
Unlimited net assets for beginning of year		<b>51,516</b>	<b>4,884</b>
Unlimited assets for end of year		11,483	6,599
		62,999	11,483

The attached explanations are an indistinguishable aspect of this financial report.

\_\_\_\_\_  
 Board Member

\_\_\_\_\_  
 Board Member

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**Karmeï Chessed—Registered Organization 580431138**

**Explanation of Financial Reports**

**NIS**

**Explanation 1—:**

1. The organization is legally registered as a non-profit organization according to the Law of Non-Profit Organizations, and its registration number is **580431138**.
2. The organization's objectives: Assistance, Charity and Jewish Outreach.
3. The organization is authorized for donations according to Paragraph 46 at the Income Tax Administration.

**Explanation 2—Accounting policies**

- A. The financial reports are compiled according to Accountancy Law 69 of the Institute of Accountants in Israel.
- B. The financial reports are compiled on a cash base. This includes listing credit and fixed asset liabilities.
- C. A cash flow report was not presented, as it does not add any essential data.
- D. There were no changes in assets with the exception of those presented on the activity report. As such, no Changes in Assets Report is presented.
- E. Accountancy and bookkeeping takes place in the same office where these reports were compiled.

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**Karmeit Chessed—Registered Organization 580431138**

**Explanation of Financial Reports**

**NIS**

**Explanation 3—Fixed Assets**

**For December 31**

	<b>Furniture and Equipment</b>	<b>2010</b>	<b>2009</b>
<b>Cost for beginning of period</b>	9,807	9,807	9,807
<b>Acquisitions for period</b>	<u>2,490</u>	<u>2,490</u>	0
<b>Cost at end of period</b>	12,297	12,297	9,807
<b>Cumulative depreciation for beginning of period</b>	6,584	6,584	4,794
<b>Depreciation for period</b>	<u>491</u>	<u>491</u>	<u>1,790</u>
<b>Cumulative depreciation for end of period</b>	7,075	7,075	6,584
<b>Cost of depreciation for end of period</b>	5,222	5,222	3,223

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**Karmeit Chessed—Registered Organization 580431138**

**Explanation of Financial Reports**

**NIS**

**Explanation 4—Income**

**For the period that ended on  
 December 31**

	2010	2009
Income	363,953	
Ministry of Welfare--Bequests	<u>30,000</u>	177,877
	<u>393,953</u>	<u>0</u>
		<u>177,877</u>

**Activity Cost**

**For the period that ended on  
 December 31**

	2010	2009
Food and assistance to needy	360	24,550
Store vouchers	<u>65,600</u>	<u>20,800</u>
<b>Total Activity Cost</b>	<u>65,960</u>	<u>45,350</u>

**Explanation 5—Administrational and General Expenses**



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For the period that ended on  
December 31

	2010	2009
Office, printing, media	5,423	5,753
Accountancy and bookkeeping	6,620	347
Advertising	14,188	12,096
Depreciation	<u>491</u>	<u>1,790</u>
Total General Expenses	<u>26,722</u>	<u>19,986</u>