

**Almarsad- Arab Human Rights
Centre in Golan Heights**

Balance for the year 2005

GOLAN FOR DEVELOPING THE ARAB VILLAGES

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**AUDITORS' REPORT TO THE SHAREHOLDERS OF
GOLAN FOR DEVELOPING THE ARAB VILLAGES**

We have audited the accompanying balance sheets of Almarsad-Arab human Rights in Golan Heights. ("the company") as of December 31, 2005 and the related statement of income for the year ended on this date. 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 generally accepted auditing standards those prescribed by 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 statements are free of material misstatement. An audit includes 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 board of directors and management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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, 2005, and the results of its operations, for each of the years ended on those dates, in conformity with generally accepted accounting principles – this on the basis of nominal values.

The financial statements referred to above are prepared in nominal values. Information as to the effect of the Israeli currency on the financial statements, in accordance with pronouncements of the Institute of Certified Public Accountants in Israel.

20 February 2006

ZIADAT NAZEH
C.P.A