

**Tsad Kadima**  
**The Association For Conductive Education**  
**Peto Method**  
**BALANCE SHEET**

|                                                                     | <u>December 31</u>      |                         |
|---------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                     | <u>2008</u>             | <u>2007</u>             |
|                                                                     | <u>NIS</u>              | <u>NIS</u>              |
| <b><u>ASSETS</u></b>                                                |                         |                         |
| <b>CURRENT ASSETS</b>                                               |                         |                         |
| Cash and cash equivalents                                           | 3,262,045               | 3,931,640               |
| Deposits in foreign currency                                        | 1,111,670               | 969,896                 |
| Checks receivable, prepaid expenses, accrued income, employee loans | 334,824                 | 290,547                 |
|                                                                     | <u>4,708,539</u>        | <u>5,192,083</u>        |
| <b>LONG TERM INVESTMENTS</b>                                        |                         |                         |
| Investment in equities                                              | <u>2,782,184</u>        | <u>2,669,708</u>        |
| <b>FIXED ASSETS, NET</b>                                            | <u>1,055,456</u>        | <u>1,076,393</u>        |
| <b>Total assets</b>                                                 | <u><u>8,546,179</u></u> | <u><u>8,938,184</u></u> |
| <b><u>LIABILITIES AND NET ASSETS</u></b>                            |                         |                         |
| <b>CURRENT LIABILITIES</b>                                          |                         |                         |
| Entitled due to fixed assets                                        | 278,514                 | 350,000                 |
| Checks & accounts payable                                           | 205,090                 | 633,060                 |
| Current installments                                                | 74,142                  | 54,545                  |
| Employees                                                           | 1,444,315               | 1,382,320               |
| Deferred income                                                     | 1,353,252               | 1,384,507               |
| Accrued expenses                                                    | 36,595                  | 18,343                  |
|                                                                     | <u>3,391,908</u>        | <u>3,822,775</u>        |
| <b>LONG TERM COMMITMENTS</b>                                        |                         |                         |
| Employee termination rights                                         | 866,807                 | 747,644                 |
| Long term loans                                                     | 55,823                  | 87,796                  |
|                                                                     | <u>922,630</u>          | <u>835,440</u>          |
| <b>Total liabilities</b>                                            | <u>4,314,538</u>        | <u>4,658,215</u>        |
| <b>NET ASSETS</b>                                                   |                         |                         |
| <b>Unrestricted used for operations</b>                             |                         |                         |
| Not destined by the association                                     | 453,403                 | 453,403                 |
| Destined by the association                                         | 2,149,812               | 2,149,812               |
|                                                                     | <u>2,603,215</u>        | <u>2,603,215</u>        |
| Unrestricted used for fixed assets                                  | 1,076,393               | 1,076,393               |
| <b>Total unrestricted net assets</b>                                | <u>3,679,608</u>        | <u>3,679,608</u>        |
| Temporarily restricted net assets                                   | 600,361                 | 600,361                 |
| <b>Total net assets</b>                                             | <u>4,279,969</u>        | <u>4,279,969</u>        |
| <b>Total liabilities and net assets</b>                             | <u><u>8,594,507</u></u> | <u><u>8,938,184</u></u> |

  
 Chairperson: Anete Mozes

  
 Executive Director: Yossi Pinto

Tsad Kadima

The Association For Conductive Education  
Peto Method

STATEMENT OF OPERATIONS

|                                                       | For the year ended<br>December 31 |                   |
|-------------------------------------------------------|-----------------------------------|-------------------|
|                                                       | 2008                              | 2007              |
|                                                       | <u>NIS</u>                        | <u>NIS</u>        |
| <b><u>CYCLE OPERATIONS</u></b>                        |                                   |                   |
| Government & Public offices                           | 9,000,768                         | 8,193,614         |
| Contributions from 'Friends of..' associations abroad | 1,325,071                         | 2,266,628         |
| Contributions in Israel                               | 1,147,866                         | 1,141,998         |
| Parents participation                                 | 536,247                           | 537,331           |
| Other income                                          | 84,785                            | 85,766            |
| Amounts released from restricted net income           | 25,850                            | 31,156            |
|                                                       | <u>12,120,587</u>                 | <u>12,256,493</u> |
| <b><u>COST OF OPERATIONS</u></b>                      |                                   |                   |
| Expenses of education centers                         | 7,607,626                         | 7,016,768         |
| Complementary education expenses                      | 1,941,537                         | 1,974,295         |
| Student training expenses                             | 986,327                           | 1,186,527         |
| Depreciation                                          | 118,707                           | 72,427            |
|                                                       | <u>10,654,197</u>                 | <u>10,250,017</u> |
| Financing net income                                  | 1,466,390                         | 2,006,476         |
| Fundraising expenses                                  | -419,857                          | -482,839          |
| General and administrative expenses                   | -1,004,879                        | -1,014,913        |
| Net income (net expenses) before finance              | <u>41,654</u>                     | <u>508,724</u>    |
| Financing income, net                                 | -37,303                           | -35,220           |
| Nominal revenues                                      | 12,294                            |                   |
| <b>NET INCOME (NET EXPENSES) FOR THE YEAR</b>         | <u>16,645</u>                     | <u>473,504</u>    |

\* Reclassified