OFEK CAPITAL CORP.

CONSOLIDATED FINANCIAL STATEMENTS
THREE MONTH PERIOD ENDED JANUARY 31, 2006
(Unaudited)

OFEK CAPITAL CORP.
Consolidated Balance Sheet
As at January 31, 2006
(Unaudited)

	2006	2005
	$	**$**
ASSETS		
CURRENT		
Bank	40,267	166,614
Prepaid and sundry	-	11,770
Current portion of net investment in leases (note 3)	-	589,233
Investment in marketable securities (note 5)	-	112,400
	40,267	880,017
EQUIPMENT (note 6)	11,476	13,793
LOANS RECEIVABLE (note 7)	572,402	501,906
INVESTMENT IN RELATED PARTY (note 8)	1,097,500	-
NET INVESTMENT IN LEASES (note 3)	-	613,287
FUTURE INCOME TAX	-	197,360
INTANGIBLE ASSETS (note 9)	-	80,000
	1,681,378	1,406,346
	1,721,645	2,286,363
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (note 11)	460,791	144,906
Advances from director (note 10)	158,645	148,706
Income tax payable (note 15)	6,172	5,895
Current portion of long-term debt (notes 3 and 16)	-	692,368
	625,608	991,875
LONG-TERM DEBT (notes 3 and 16)	-	846,228
NON-CONTROLLING INTEREST (note 12)	-	(99,093)
	625,608	1,739,010
SHAREHOLDERS' EQUITY		
CAPITAL STOCK	2,750,733	2,618,060
PAID IN CAPITAL	500,000	500,000
CUMULATIVE TRANSLATION ADJUSTMENT	35,480	(7,547)
DEFICIT	(2,190,176)	(2,563,160)
	1,096,037	547,353
	1,721,645	2,286,363

OFEK CAPITAL CORP.

Consolidated Statement of Operations and Deficit
For the three month period ended January 31, 2006
(Unaudited)

	2006	2005
	$	$
REVENUE	20,148	233,835
EXPENSES		
General and administrative	2,225	37,898
Advertising and promotion	594	3,029
Professional fees	543	12,693
Amortization	118	1,830
Salaries and employee benefits	-	68,314
Interest on long-term debt	-	42.845
Bad debts	-	15,385
	3,480	181,994
NET INCOME BEFORE NON-CONTROLLING INTEREST	16,668	51,841
Non-controlling interest	-	325
NET INCOME BEFORE UNDERNOTED ITEMS	16,668	51,516
Management fees recovered	14,542	-
NET INCOME	31,210	51,516
Deficit, beginning of year	(2,221,386)	(2,614,676)
DEFICIT, END OF YEAR	(2,190,176)	(2,563,160)

1. Incorporation and General

Ofek Capital Corp. (the "Company") was incorporated on March 31, 1999 under the Ontario Business Corporations Act. On April 25, 2000, the Company changed its name to Ofek Capital Corp.

2. Going Concern Assumption

The consolidated financial statements are prepared with management assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business as a going concern.

The Company has sustained material losses in previous years and has a working capital deficiency. The Company's ability to continue as a going concern is dependent upon securing other financing arrangements or generating sufficient funds through operations to meet its obligations as they fall due.

These consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate because management believes that the actions already taken or planned, will mitigate the adverse conditions and events which may raise doubts about the validity of the going concern assumption used in preparing these financial statements.

3. Sale of Cheltenham Estates Limited

On May 31, 2005, the Company sold its 100% interest in Cheltenham Estates Limited in exchange for approximately 25% investment in Kaptor Financial Inc ("Kaptor"). See note 8 for a description of this transaction. In the agreement with Kaptor, the Company agreed that it would not record its investment in Kaptor using the equity method; accordingly, the investment in Kaptor is carried at cost. This transaction is responsible for the elimination of current portion of net investments in leases, net investment in leases, and current portion of long term debt and long term debt.

4. Summary of Significant Accounting Policies

The accounting policies of the Company are in accordance with Canadian generally accepted accounting principles and their basis of application is consistent with that of the previous year. Outlined below are those policies considered particularly significant:

a) Unit of Measurement

The accompanying consolidated financial statements are expressed in United States dollars.

4. Summary of Significant Accounting Policies (cont'd)

b) Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Ofek Capital Corp. and its wholly owned non operating subsidiaries, AmeriCan Factoring Corp. and Mortgage Bankers of North America Inc. In addition, the consolidated financial statements include the accounts of its approximately 84% owned non operating subsidiary, Secondarymarkets.com, Inc. The accounts of Secondarymarkets.com, Inc. include those of its wholly-owned non operating subsidiary, Northern Pacific Funding Group, Inc.

All significant intercompany transactions and balances have been eliminated on consolidation.

c) Revenue Recognition

Interest income is recognized when earned and collection is reasonably assured.

Management fees are recognized over the term of the contract and when collection is reasonably assured.

d) Equipment and Amortization

Equipment is stated at cost. Amortization, based on the estimated useful lives of the assets, is provided using the undernoted annual rates and methods:

Computer software	30%	Declining balance
Furniture and equipment	20%	Declining balance

e) Impairment of Long-Lived Assets

Long-lived assets comprised of equipment, subject to amortization, and an intangible asset are reviewed for impairment at least annually, or whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss would be recognized when the carrying amount of an asset exceeds the estimated undiscounted future cash flows expected to result from the use of the asset and its eventual disposition. An impairment loss is recognized when the carrying amount is not recoverable and exceeds fair value. Fair value is generally determined using a discounted cash flow analysis.

4. Summary of Significant Accounting Policies (cont'd)

f) Intangible Asset

Intangible asset is valued based on management's estimate of the value received in exchange for the issuance of common shares in a prior period. Intangible asset is not currently being amortized as it is not in use.

Should it become evident in a future period that there is an impairment in the value, the asset will be written-down and charged to earnings in the year in which the impairment becomes evident.

g) Investments in Marketable Securities

Investments in marketable securities are valued at the lower of cost and market.

h) Financial Instruments

Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from the financial instruments. The carrying amounts of loan receivable, accounts payable and accrued charges approximates their fair market value due to the relatively short-term maturity of these instruments. The stated value of note payable approximates fair value, as the interest rate attached to this instrument is representative of current market rates, for loans with similar terms, conditions and maturities. Advances from director are not subject to fixed terms of repayment or interest and therefore their fair market value cannot be estimated.

i) Future Income Taxes

The Company follows the liability method of accounting for income taxes. Under this method future income tax assets and liabilities are determined based on the differences between the financial reporting and tax bases of assets and liabilities and are measured using substantively enacted tax rates and laws that are expected to be in effect in the periods in which the future tax assets or liabilities are expected to be realized or settled. The effect of a change in income tax rates on future income tax assets and liabilities is recognized in income in the period that the change occurs.

(Expressed in U.S. Dollars)

4. Summary of Significant Accounting Policies (cont'd)

j) Use of Estimates

The preparation of financial statements, in conformity with Canadian generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of impairment of intangible assets. Actual results could differ from those estimates.

5. Investments in Marketable Securities

The balance of marketable securities has been written off in the last fiscal year. Management has assessed the decline in market value as other than temporary.

6. Equipment

	2006		2005	
	Cost	**Accumulated Amortization**	Cost	Accumulated Amortization
Computer software	**$ 1,563**	**$ 956**	$ 1,563	$ 956
Furniture and equipment	**12,277**	**1,408**	23,581	10,395
	$ 13,840	**$ 2,364**	$ 25,144	$ 11,351
Net carrying amount		**$ 11,476**		$ 13,793

Computer software and furniture and equipment having a net book value of $9,436 are not being amortized as they are not currently being used.

7. Loan Receivable

The loan receivable is from Lado Holdings Inc., a Delaware Corporation; bears interest at 12% per annum calculated monthly and is due April 2007.

8. Investment in Related Party

On May 31, 2005, the Company completed a Share Exchange Agreement by which the Company agreed to exchange 100% of the common shares of Cheltenham Estates Limited for 1,500,000 common shares of Kaptor Financial Inc. The Company is currently recording this investment using the cost method.

9. Intangible Asset

The Company holds a patent for proprietary mortgage lending software technology. In 2005, the Company wrote-off this intangible asset as the realization of benefit from the patent is not likely based on an impairment test on future discounted cash flows.

10. Advances from Director

These advances are unsecured, non-interest bearing and are due on demand.

11. Note Payable

The note payable is due to Phoenix Investments Inc., a company controlled by a director, Chief Executive Officer and ultimate shareholder of the Company. The note bears interest at 12% per annum starting May 1, 2006, is due on demand and has a general security agreement on the assets of the Company.

12. Non-Controlling Interest

The non-controlling interest relates to Secondarymarkets.com, Inc., the balance of which has been written-off in the prior fiscal year as it has been determined that the balance will not be recovered from the remaining shareholders of Secondarymarkets.com, Inc.

13. Commitments and Contingencies

Commitments

The Company is committed to consulting services to the Chief Executive Officer of CDN$60,000 for each of the next two years.

13. Commitments and Contingencies (cont'd)

Legal Proceedings

The Company, on or about October 2004, filed a claim against Norman Olshansky, Bersoti TBF Management Ltd. – Gestion Besoti TBF Ltee and Granit Group Inc. seeking US$1,000,000 in general damages, delivery and recovery of 5,550,000 of the Company's own common shares for cancellation back to treasury and other ancillary orders. These defendants in their filing a defence also filed a counter claim against the Company. In the opinion of management, the occurrence of the confirming events are not determinable and an estimate of the potential liability cannot be made, consequently no provision has been made for any loss in these consolidated financial statements. If a loss occurs, it will be recorded in earnings in the year incurred.

14. Capital Stock

Authorized
Unlimited number of common shares

	2006	2005
Issued		
85,085,780 (2005 – 43,802,600) common shares	**$ 2,767,072**	$ 2,618,060

During the three months period ended January 31, 2006 the Company issued 29,018,181 common shares for total consideration of $31,920.

The details of these transactions are as follows:

a) The Company issued out of treasury an aggregate of 29,018,181 common shares, in conversion of debt of $31,920.

15. Income Taxes

The Company has tax losses available to be applied against future years' income. Due to the tax losses incurred to date and expected future operating results, management has determined that it is more likely than not that the deferred tax asset resulting from the tax losses available for carryforward will not be realized through the reduction of future income tax payments. Accordingly, a valuation allowance has been recorded for future income tax assets.

The Company has non-capital tax losses of approximately $1,255,900 available to offset future taxable income. The tax losses expire as follows:

2008	$ 201,300
2009	229,900
2010	191,900

(Expressed in U.S. Dollars)

2014	260,900
2015	371,900
	$1,255,900

16. Long-term Debt

	Current	Long-term	**2006** **Total**	2005 Total
Jack Kurin in trust	**$ -**	**$ -**	**$ -**	$ 1,538,596

The loan payable to Jack Kurin in trust bears interest at 16% per annum and is unsecured. Principal repayments are based on leases outstanding at that time.

The following is a summary of the Company's principal repayments due in future fiscal years:

2007	$ -
2008	-
2009	-
	$ -

17. Subsequent Events

Subsequent to the close of this fiscal quarter, and pursuant to a demand for payment by a director of the Company, arising out of a consulting agreement he had with the Company covering fiscal 2005 and having assigned such obligation receivable to 2049896 Ontario Inc., a private Ontario corporation, owned and controlled by him, the Company issued 8,884,297 shares in exchange of $21,500.

18. Comparative Figures

Certain of the prior year figures have been reclassified to conform to the current quarter’s financial statement presentation of discontinued operations.

19. United States Generally Accepted Accounting Principles

Although these financial statements have been prepared in accordance with Canadian generally accepted accounting principles, these consolidated financial statements also conform, in all material respects with generally accepted accounting principles in the United States of America.