

Nevet, Future Growth 2015 Ltd. (PBC)
Financial Statements
As of December 31, 2017

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Report of the Independent Accountant to the Shareholders

Of

Nevet, Future Growth 2015 Ltd. (PBC)

We have audited the accompanying Balance Sheets of Nevet, Future Growth 2015 Ltd. (PBC) (hereinafter – the Company) as of December 31, 2017 and 2016, and the Statements of Activities and the Statements of Changes in Net Assets for the years ended on those dates. 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 have conducted our audits in accordance with generally accepted auditing standards, including standards set in the Auditor's Regulations (Auditor's Mode of Performance), 1973. These 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 Company's 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, 2017 and 2016 and the results of its operations and changes in its net assets for the years ended on those dates, in conformity with generally accepted accounting principles (Israeli GAAP).

June 13, 2018

Stark & Stark
Accountants

Nevet, Future Growth 2015 Ltd. (PBC)

Balance Sheet

For the Year ended December 31, 2017

		December 31	
	Note	2017	2016
		NIS	NIS
<u>Current assets</u>			
Cash and cash equivalents		522,439	767,791
Accounts receivable and debit balances	3	202,780	(*) 7
		<u>725,219</u>	<u>767,798</u>
<u>Current liabilities</u>			
Checks payable		169,254	150,214
Suppliers and service providers		118,956	211,920
Accounts payable and credit balances	4	82,266	67,888
Related party	5	317,173	330,455
		<u>687,649</u>	<u>760,477</u>
<u>Capital stock</u>	6	<u>7</u>	<u>7</u>
<u>Net unrestricted assets:</u>			
For use in activities		<u>37,563</u>	<u>7,314</u>
		<u>725,219</u>	<u>767,798</u>

(*) Reclassified

Joseph Gitler – Board Member

Joseph Mandelbaum – Board Member

The attached notes are an integral part of the financial statements.

Nevet, Future Growth 2015 Ltd. (PBC)

Statement of Activities

As of December 31, 2017

	<u>Note</u>	<u>For the Year ended</u>	
		<u>December 31</u>	
		<u>2017</u>	<u>2016</u>
		<u>NIS</u>	<u>NIS</u>
<u>Revenues from activities</u>			
Donations and participation	7	2,813,364	2,016,453
Value of volunteers	8	1,362,950	-
		<u>4,176,314</u>	<u>2,016,453</u>
Cost of activities	9	<u>(3,736,967)</u>	<u>(1,524,113)</u>
Net income from activities		439,347	492,340
Administrative and general expenses	10	<u>(408,679)</u>	<u>(485,021)</u>
Net income before financing		30,668	7,319
Financing expenses		(419)	(5)
Net income for the year		<u>30,249</u>	<u>7,314</u>

The attached notes are an integral part of the financial statements.

Nevet, Future Growth 2015 Ltd. (PBC)
Statement of Changes in Net Assets
For the Year ended December 31, 2017

	<u>Net Unrestricted Assets</u> <u>For Use in Activities</u> <u>NIS</u>
Balance as of January 1, 2016	-
<u>Disposals during the year:</u>	
Net income for the year	7,314
Balance as of December 31, 2016	<u>7,314</u>
<u>Additions during the period:</u>	
Net income for the year	30,249
Balance as of December 31, 2017	<u><u>37,563</u></u>

Nevet, Future Growth 2015 Ltd. (PBC)

Notes to the Financial Statements

As of December 31, 2017

Note 1 – General

1. Nevet, Future Growth 2015 Ltd. (PBC) (hereinafter: “the Company”) was established in December 2015 and commenced significant financial operations in May 2016.
2. Company goals:
 - a. To provide breakfast to school children.
 - b. To work for the welfare of the community.
 - c. To assist the civilian population and IDF soldiers in emergency situations.
 - d. To engage in any act of kindness, charity and assistance to those in need.
3. The Company’s registration number in the Companies Registrar is: 515354793.
4. The Company is registered at the Value Added Tax Authorities as an NPO (Non-Profit Organization).
5. The Company has a Certificate of Proper Management from the Registrar of Endowments in effect until December 31, 2018.
6. The Company has approval regarding donations under Section 46 of the Income Tax Ordinance, from June 12, 2017 until December 31, 2018.

Note 2 – Significant Accounting Policies

- a. Reporting principles

The financial statements were presented in accordance with Opinion no. 69 of the Institute of Certified Public Accountants in Israel, in accordance with the Accounting Standard no. 5 of the Israel Accounting Standards Board, and in accordance with Accounting Standard no. 36, which includes amendments and clarifications to Opinion 69 and Standard no. 5.
- b. Financial statements in reported amounts

The financial statements are prepared in reported amounts in accordance with the provisions of Standard no. 12 of the Israel Accounting Standards Board regarding the discontinuance of the adjustment of financial statements.
- c. The financial statements do not include a statement of cash flows since it does not add significant information to the information presented.
- d. Cash and cash equivalents

Cash and cash equivalents include short-term bank deposits and negotiable government bonds, the period up to the redemption date, at the time of the investment, did not exceed three months.

Nevet, Future Growth 2015 Ltd. (PBC)

Notes to the Financial Statements

As of December 31, 2017

Note 2 – Significant Accounting Policies (continued)

- e. Recognition of income and expenses
Income and expenses, assets and liabilities and changes in net assets are included in the financial statements on an accrual basis.
- f. Use of estimates
Preparation of the financial statements in accordance with generally accepted accounting principles requires management to use estimates and valuations that have an effect on the reported data regarding assets and liabilities that were given value in the financial statements, as well as income and expense data in the reporting periods. It should be noted that the actual results could differ from these estimates.
- g. The Company's employees have signed Section 14 of the Severance Pay Law.
- h. Amendment to the Amutot Law (Amendment no. 11), 2008
In accordance with Amendment no. 11 to the Amutot Law, 2008, during the accounting year, the Company did not receive donations from a foreign political entity for its activities.
- i. Related parties
As defined in Opinion 29 of the Institute of Certified Public Accountants in Israel.

Note 3 – Accounts Receivable and Debit Balances

	As of December 31	
	2017	2016
	NIS	NIS
Israel Toremet	13,311	-
Advance payments to suppliers	29,698	-
Prepaid expenses	5,741	-
Checks collectible	154,023	-
Miscellaneous	7	7
	<u>202,780</u>	<u>7</u>

Note 4 – Accounts Payable and Credit Balances

	As of December 31	
	2017	2016
	NIS	NIS
Employees and institutions for wages	39,332	39,888
Expenses payable	27,934	28,000
Provision for vacation	15,000	-
	<u>82,266</u>	<u>67,888</u>

Nevet, Future Growth 2015 Ltd. (PBC)

Notes to the Financial Statements

As of December 31, 2017

Note 5 – Related Party

a. Credit balance with related party

	As of December 31	
	2017	2016
	NIS	NIS
Table to Table – Leket Israel (Registered Amuta)	317,173	330,455

b. Transactions with related party – Table to Table – Leket Israel (Registered Amuta):

	For the Year Ended December 31	
	2017	2016
	NIS	NIS
Donations through related party	1,104,965	1,569,600
Participations through related party	665,304	446,853
	1,770,269	2,016,453
Expenses	(456,984)	(966,907)

1. The company was established in December 2015 and its goals are, among other things, the provision of breakfast to school children (hereinafter: “the Sandwich Project”). The Sandwich Project was operated by Table to Table - Leket Israel Registered Amuta) (hereinafter: “Leket”) for about a decade.
2. During 2016, the Sandwich Project was gradually transferred from Leket to the Company, and as of May 2016, most of the expenses for the project were incurred through the Company. Project revenues were transferred accordingly. In 2017, all revenues received by Leket for the Sandwich Project were transferred to the company.
3. In 2016, Leket incurred both direct expenses of purchases and employee wages until the date of transfer of their employment to the Company and indirect expenses (bookkeeping services, fundraising, public relations and more). Consequently, mutual accounting was done between the entities.
As of 2017, expenses incurred by Leket and belonging to the Company (logistics, computerization, rent and more) are loaded according to the loading formula agreed upon between the parties.

Note 6 – Capital Stock

Composition as of December 31, 2017 and December 31, 2016:

	Listed	Issued and Paid
	Number of Shares	
Capital stock of NIS 1 PV each	100	7

Nevat, Future Growth 2015 Ltd. (PBC)

Notes to the Financial Statements

As of December 31, 2017

Note 7 – Donations and Participation

	For the Year Ended	
	December 31	
	2017	2016
	NIS	NIS
Donations	1,855,490	1,569,600
Participations	957,874	446,853
	<u>2,813,364</u>	<u>2,016,453</u>

See also Note 5.

Note 8 – Value of Volunteers

The Company is assisted by volunteer work for no consideration for the for the benefit of society. During 2017, the Amuta made use of 50,705 volunteer hours at a monetary value of NIS 1,363 thousand. This amount is included in the Amuta's Statement of Activities. The monetary value was calculated based on minimum wage.

In 2016, the company was assisted by volunteer work for no consideration and chose not to give expression in the financial statements to the volunteer hours mentioned above.

These revenues and expenses are included in the financial statements in accordance with the Amuta management's estimate and according to the directives in Opinion 69 and Accounting Standard no. 5 published by the Israel Accounting Standards Board.

Note 9 – Cost of Activities

	For the Year Ended	
	December 31	
	2017	2016
	NIS	NIS
Products for preparing sandwiches	1,686,273	1,054,800
Value of volunteers	1,362,950	-
Deliveries	246,762	118,285
Salaries and related expenses	136,320	75,868
Rent, operations and logistics	73,830	252,699
Advertising and printing	230,832	22,461
	<u>3,736,967</u>	<u>1,524,113</u>

Nevet, Future Growth 2015 Ltd. (PBC)

Notes to the Financial Statements

As of December 31, 2017

Note 10 – Administrative and General Expenses

	For the Year Ended	
	December 31	
	2017	2016
	NIS	NIS
Salaries and related expenses	244,537	186,815
Accounting services and personnel	30,742	130,497
Rent, maintenance and office expenses	30,678	7,175
Vehicle maintenance	52,377	94,080
Professional services	36,998	55,120
Fundraising	7,691	9,616
Fees	1,116	1,488
Bank fees	4,540	230
	408,679	485,021

Note 11 – Events subsequent to the Balance Sheet Date

Subsequent to the balance sheet date and prior to the signing of the financial statements, it was decided to approve the agreement between the Company and the related party (see also Note 5) regarding the transfer of the sandwich activity and to approve the charges regarding services received by the Company from the related party in the period from May to December 2016 and in 2017, as stated in the agreement. It was also decided that until the end of 2018, an agreement must be reached between the organizations regarding the manner of closing the debt.

