

Nevet, Future Growth 2015 Ltd. (PBC)
Financial Statements
As at December 31, 2018

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Auditor's Report to the Shareholders
Of
Nevet, Future Growth 2015 Ltd. (PBC)

We have audited the attached balance sheets of Nevet, Future Growth 2015 Ltd. (PBC) (hereinafter – the Company) as at December 31, 2018 and 2017, and the statements of activities and 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 audit.

We performed our audit in accordance with generally accepted auditing standards, including standards set in the Auditor's Regulations (Auditor's Mode of Performance), 5733-1973. According to these standards, we were required to plan and perform the audit so as to obtain a reasonable level of certainty that the financial statements do not contain a substantial misleading representation. Audit includes a sample examination of evidence supporting the amounts and information in the financial statements. Audit also includes examination of the accounting principles implemented and of the substantial estimates made by the Company's board of directors and management as well as an estimation of presentation adequacy, in its entirety, in the financial statements. We believe that our audit provides an adequate base for our opinion.

In our opinion, the above financial statements adequately reflect, in accordance with accepted accounting rules in Israel (Israeli GAAP), in all essential aspects, the Company's financial state as at December 31, 201 and 2017 and the results of its activity and the changes in its net assets for the years ending on these dates.

June 26, 2019

Stark & Stark
Accountants

Nevet, Future Growth 2015 Ltd. (PBC)
Balance Sheet
As at December 31, 2018

	<u>Note</u>	<u>December 31</u>	
		<u>2018</u>	<u>2017</u>
		<u>NIS</u>	
<u>Current assets</u>			
Cash and cash equivalents	3	1,633,251	522,439
Accounts receivable and debit balances	4	272,743	202,780
Related party	6	4,517	-
		<u>1,910,511</u>	<u>725,219</u>
<u>Fixed assets</u>			
Long-term deposits		9,126	-
		<u>1,919,637</u>	<u>725,219</u>
<u>Current liabilities</u>			
Checks payable		-	169,254
Suppliers and service providers		216,683	118,956
Accounts payable and credit balances	5	98,410	82,266
Related party	6	-	317,173
		<u>315,093</u>	<u>687,649</u>
<u>Capital stock</u>			
	7	<u>7</u>	<u>7</u>
<u>Net unrestricted assets:</u>			
For use in activities		731,092	37,563
Designated by the NPO institutes	8	873,445	-
		<u>1,604,537</u>	<u>37,563</u>
		<u>1,919,637</u>	<u>725,219</u>

Joseph Mandelbaum – Board Member

Shelly Zichlinsky – Board Member

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

Nevet, Future Growth 2015 Ltd. (PBC)
Statement of Activities
As at December 31, 2018

	Note	For the Year ended December 31	
		2018	2017
		NIS	
<u>Revenues from activities</u>			
Donations and participation	9	4,366,346	2,813,364
Value of volunteers	10	1,462,960	1,362,950
		5,829,306	4,176,314
Cost of activities	11	(3,754,529)	(3,736,967)
Net income from activities		2,074,777	439,347
Administrative and general expenses	12	(528,450)	(408,679)
Net income before financing		1,546,327	30,668
Financing income (expenses), net		20,647	(419)
Net income for the year		1,566,974	30,249

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, 2018

	Unrestricted Assets		
	Net Assets for Use in Activities	Designated by the NPO Institutes NIS	Total
Balance as at January 1, 2017	7,314	-	7,314
<u>Disposals during the year:</u>			
Net income for the year	30,249	-	30,249
Balance as at December 31, 2017	37,563	-	37,563
<u>Additions during the year:</u>			
Net income for the year	1,566,974	-	1,566,974
Sums designated by the NPO managing institutes	(873,445)	873,445	-
Balance as at December 31, 2018	731,092	873,445	1,604,537

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

Nevet, Future Growth 2015 Ltd. (PBC)
Notes to Financial Statement
As at December 31, 2018

Note 1 – General

1. Nevet, Future Growth 2015 Ltd. (PBC) (hereinafter: "the Company" or "the NPO") 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 at 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, 2019.
6. The Company has a confirmation regarding donations under Section 46 of the Income Tax Ordinance, until December 31, 2021.

Note 2 – Essence of Accounting Policy

- a. Reporting principles

The financial statements were presented in accordance with Audit Statement No. 69 of the Institute of Certified Public Accountants in Israel, in accordance with Accounting Standard No. 5 of the Israel Accounting Standards Board, and in accordance with Accounting Standard No. 36, which includes amendments and clarifications to Audit Statement 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 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 presented information.
- 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 thereof, at the time of the investment, did not exceed three months.

Nevet, Future Growth 2015 Ltd. (PBC)
Notes to Financial Statement
As at December 31, 2018

Note 2 – Essence of Accounting Policy (continued)

e. Recognition of income and expenses

Income is included on an accrual basis. Donations are recognized as income or addition to net assets restricted only if actually received until the approval date of the financial statements. Donations of non-monetary assets are presented at their proper value on the date they were received.

Expenses are included in the financial statements on an accrual basis.

f. Use of estimates

In preparing the financial statements in accordance with generally accepted accounting principles, the Company's management is required to use estimates and valuations that affect the reported data of assets and liabilities that were given value in the financial statements, as well as income and expense data in the reporting periods. It is clarified that the actual results could differ from these estimates.

g. The Company's employees have signed Section 14 of the Severance Pay Law as of the beginning of their employment.

h. Amendment to the Amutot Law (Amendment No. 11), 5768-2008

In accordance with Amendment No. 11 to the Amutot Law, 5768-2008, during the accounting year, the Company did not receive donations from a foreign political entity for its activities.

i. Related parties

As defined in Audit Statement 29 of the Institute of Certified Public Accountants in Israel.

j. Statement of cash flows

The financial statements do not include a statement of cash flows since it does not add significant information to the information presented in the financial statements.

Note 3 – Cash and cash equivalents

	<u>As at December 31</u>	
	<u>2018</u>	<u>2017</u>
	<u>NIS</u>	
In Israeli currency	1,550,050	487,422
In foreign currency	83,201	35,017
	<u>1,633,251</u>	<u>522,439</u>

Nevet, Future Growth 2015 Ltd. (PBC)
Notes to Financial Statement
As at December 31, 2018

Note 4 - Accounts Receivable and Debit Balances

	As at December 31	
	2018	2017
	NIS	
Israel Toremet	43,173	13,311
Advance payments to suppliers	-	29,698
Income receivable	213,846	-
Prepaid expenses	6,496	5,741
Checks collectible	9,228	154,023
Miscellaneous	-	7
	<u>272,743</u>	<u>202,780</u>

Note 5 – Accounts Payable and Credit Balances

	As at December 31	
	2018	2017
	NIS	
Employees and institutions for wages	52,383	39,332
Expenses payable	26,000	27,934
Provision for vacation	19,000	15,000
Credit company	1,027	-
	<u>98,410</u>	<u>82,266</u>

Note 6 – Related Party

a. Credit/(debit) balance with related party

	As at December 31	
	2018	2017
	NIS	
Table to Table – Leket Israel (Registered Amuta)	(4,517)	317,173

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

	For the Year Ended December 31	
	2018	2017
	NIS	
Donations through related party (see Note 2)	-	1,104,965
Participations through related party (see Note 2)	105,243	665,304
Donation from related party (see Note 3)	500,000	-
	<u>605,243</u>	<u>1,770,269</u>
Expenses to related party (see Note 2)	<u>(404,553)</u>	<u>(456,984)</u>

Nevet, Future Growth 2015 Ltd. (PBC)
Notes to Financial Statement
As at December 31, 2018

Note 6 – Related Party (continued)

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. In the course of 2016 the Sandwich Project has been gradually transferred from Leket to the Company.
2. In June 2018 an agreement was executed between the parties according to which Leket provides various services to Nevet such as: logistics, computerization, rent, accountancy services etc. In consideration to these services, Nevet pays Leket at cost basis. In addition, the agreement provides that the income designated to the Sandwich Project which is still received at Leket shall fully transfer to Nevet.
3. During the report year, a decision was made by Leket administration board as to a loan forgiveness of the Company at a total of NIS 500,000 originating in mutual accounting for previous years. This amount was recorded as income from a donation at the Company.

Note 7 – Capital Stock

Composition as at December 31, 2018 and December 31, 2017:

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

Note 8 – Amounts Designated by the NPO Institutes

In April 2018 a one-time unlimited donation of NIS 873 thousand was received to be used in the Company's current operations. The Company's management decided to designate this donation for use over 3 years as of academic year 5780 (2019) in order to use the full potential of the donation which depends on finding additional partners for the purpose of suitable parallel financing.

Note 9 – Donations and Participation

	For the Year Ended December 31	
	2018	2017
	NIS	
Donations	3,059,506	1,855,490
Participations of educational institutions and local councils	1,306,840	957,874
	4,366,346	2,813,364

See also Note 6.

Nevet, Future Growth 2015 Ltd. (PBC)
Notes to Financial Statement
As at December 31, 2018

Note 10 – Value of Volunteers

The Company is assisted by volunteer work for no consideration for the Company's goals. During 2018, the Amuta made use of 50,239 volunteer hours at a monetary value of NIS 1,463 thousand (in 2017 – 50,705 voluntary hours at a monetary value of NIS 1,363 thousand). This amount is included in the Amuta's Statement of Activities as income and expenses. The monetary value was calculated based on minimum wage.

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

Note 11 – Cost of Activities

	For the Year Ended	
	December 31	
	2018	2017
	NIS	
Products for preparing sandwiches	1,689,323	1,686,273
Value of volunteers	1,462,960	1,362,950
Deliveries	234,886	246,762
Salaries and related expenses	161,596	136,320
Rent, operations and logistics	102,234	73,830
Advertising and printing	103,530	230,832
	<u>3,754,529</u>	<u>3,736,967</u>

Note 12 – Administrative and General Expenses

	For the Year Ended	
	December 31	
	2018	2017
	NIS	
Salaries and related expenses	347,699	244,537
Accounting services and personnel	22,914	30,742
Rent, maintenance and office expenses	59,690	30,678
Car allowance	57,521	52,377
Professional services	18,720	36,998
Fundraising	15,418	7,691
Fees	1,120	1,116
Bank fees	5,368	4,540
	<u>528,450</u>	<u>408,679</u>