

**Nevet, Future Growth 2015 Ltd. (PBC)**  
**Financial Statements**  
**As of December 31, 2019**

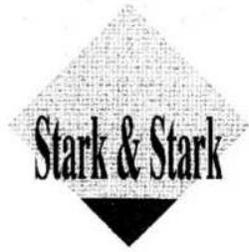
**Nevet, Future Growth 2015 Ltd. (PBC)**

**Financial Statements**

**As of December 31, 2019**

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## שטרק את שטרק STARK & STARK

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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 of December 31, 2019 and 2018, and the statements of activities and 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 audit.

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 that 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 an assessment of 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, 2019 and 2018 and the results of its activity and changes in net assets for each of the years ended on those dates, in conformity with generally accepted accounting principles in Israel (Israeli GAAP).

May 7, 2020

*Signature*  
Stark & Stark  
Accountants

**Nevet, Future Growth 2015 Ltd. (PBC)**  
**Balance Sheet**  
**As of December 31, 2019**

	<u>Note</u>	<u>December 31</u>	
		<u>2019</u>	<u>2018</u>
		<u>NIS</u>	
<b><u>Current assets</u></b>			
Cash and cash equivalents	3	2,190,571	1,633,251
Accounts receivable and debit balances	4	154,390	277,260
		<u>2,344,961</u>	<u>1,910,511</u>
<b><u>Non-current assets</u></b>			
Long-term deposit		9,126	9,126
		<u>2,354,087</u>	<u>1,919,637</u>
<b><u>Current liabilities</u></b>			
Suppliers and service providers		189,009	216,683
Accounts payable and credit balances	5	110,749	98,410
		<u>299,758</u>	<u>315,093</u>
<b><u>Capital stock</u></b>	7	<u>7</u>	<u>7</u>
<b><u>Net unrestricted assets:</u></b>			
For use in activities		1,180,877	731,092
Designated by the NPO institutions	8	873,445	873,445
		<u>2,054,322</u>	<u>1,604,537</u>
		<u>2,354,087</u>	<u>1,919,637</u>

Signature  
 \_\_\_\_\_  
 Joseph Mandelbaum – Board Member

Signature  
 \_\_\_\_\_  
 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 of December 31, 2019**

	Note	For the Year ended December 31	
		2019	2018
		NIS	
<b><u>Revenues from activities</u></b>			
Donations and participations	9	3,678,711	4,366,346
Value of volunteers	10	1,535,963	1,462,960
		5,214,674	5,829,306
Cost of activities	11	(4,117,970)	(3,754,529)
<b>Net income from activities</b>		1,096,704	2,074,777
Administrative and general expenses	12	(552,186)	(513,032)
Public relations expenses and fundraising		(100,820)	(15,418)
<b>Net income before financing</b>		443,698	1,546,327
Financing income, net		6,087	20,647
<b>Net income for the year</b>		449,785	1,566,974

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, 2019**

	<b>Unrestricted Assets</b>		
	<b>Net Assets for Use in Activities</b>	<b>Designated by the NPO Institutions NIS</b>	<b>Total</b>
<b>Balance as of January 1, 2018</b>	37,563	-	37,563
<b><u>Additions (disposals) during the year:</u></b>			
Net income for the year	1,566,974	-	1,566,974
Amounts designated by the NPO's institutions	(873,445)	873,445	-
<b>Balance as of December 31, 2018</b>	731,092	873,445	1,604,537
<b><u>Additions during the year:</u></b>			
Net income for the year	449,785	-	449,785
<b>Balance as of December 31, 2018</b>	1,180,877	873,445	2,054,322

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

**Nevet, Future Growth 2015 Ltd. (PBC)**  
**Notes to Financial Statements**  
**As of December 31, 2019**

**Note 1 – General**

1. Nevet, Future Growth 2015 Ltd. (PBC) (hereinafter: “the Company” or “the NPO”) is a non-profit Public Benefit Company. The Company’s registration number is: 515354793.
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 is registered at the Value Added Tax Authorities as an NPO (Non-Profit Organization).
4. The Company has a Certificate of Proper Management from the Registrar of Endowments in effect until December 31, 2020.
5. The Company has approval regarding donations under Section 46 of the Income Tax Ordinance until December 31, 2021.

**Note 2 – Significant Accounting Policies**

a. Reporting principles

The financial statements have been presented in accordance with Opinion 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 Opinion no. 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 presented information.

d. Cash and cash equivalents

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

e. Recognition of income and expenses

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

**Nevet, Future Growth 2015 Ltd. (PBC)**  
**Notes to Financial Statement**  
**As of December 31, 2019**

**Note 2 – Significant Accounting Policies (continued)**

- f. Use of estimates  
Preparation of the financial statements in accordance with generally accepted accounting principles requires the Company's management to use estimates and valuations that have an effect on the reported data on assets and liabilities that have been given a value in the financial statements, as well as on the income and expense data in the reporting periods. It should be clarified that the actual results could differ from these estimates.
- g. Employee benefits  
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), 2008  
In accordance with Amendment no. 11 to the Amutot Law, 2008, the Company did not receive donations from a foreign government entity for its activities during the accounting year.
- i. Related parties  
As defined in Opinion no. 29 of the Institute of Certified Public Accountants in Israel.
- j. Value of volunteers  
The value of income and expenses for volunteers was included in the financial statements according to a management estimate and in accordance with the provisions of Opinion no. 69 and Accounting Standard no. 5 that was published by the Israel Accounting Standards Board. See also Note 10.
- k. 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**

	<b>As of December 31</b>	
	<b>2019</b>	<b>2018</b>
	<b>NIS</b>	
In Israeli currency	2,190,571	1,550,050
In foreign currency	-	83,201
	<u>2,190,571</u>	<u>1,633,251</u>

**Nevet, Future Growth 2015 Ltd. (PBC)**  
**Notes to Financial Statement**  
**As of December 31, 2019**

**Note 4 - Accounts Receivable and Debit Balances**

	<b>As of December 31</b>	
	<b>2019</b>	<b>2018</b>
	<b>NIS</b>	
Israel Toremet	51,311	43,173
Income receivable	90,896	213,846
Prepaid expenses	4,064	6,496
Checks collectible and credit	3,602	9,228
Related party and receivables	4,517	4,517
	154,390	277,260

**Note 5 – Accounts Payable and Credit Balances**

	<b>As of December 31</b>	
	<b>2019</b>	<b>2018</b>
	<b>NIS</b>	
Employees and institutions for wages	83,645	52,383
Expenses payable	16,104	26,000
Provision for vacation	11,000	19,000
Credit company	-	1,027
	110,749	98,410

**Note 6 – Related Party and Receivables**

**a. Credit balance**

	<b>As of December 31</b>	
	<b>2019</b>	<b>2018</b>
	<b>NIS</b>	
Table to Table – Leket Israel (Registered Amuta)	(*) 4,517	4,517

**b. Transactions – Table to Table – Leket Israel (Registered Amuta):**

	<b>For the Year ended December 31</b>	
	<b>2019</b>	<b>2018</b>
	<b>NIS</b>	
Participations through related party (see Note 2)	-	105,243
Donation from related party (see Note 3)	-	500,000
	-	605,243
Expenses to related party (see Note 2)	-	(404,553)

(\*) In 2019, there were changes in the Company's committee members, and therefore as of the date of the change, Leket is not a related party of the Company.

**Nevet, Future Growth 2015 Ltd. (PBC)**  
**Notes to Financial Statement**  
**As of December 31, 2019**

**Note 6 – Related Party and Receivables (continued)**

1. The Company was established in December 2015 and its goals are, primarily, 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 was gradually transferred from Leket to the Company.
2. In June 2018, an agreement was signed between the parties according to which Leket provides various services to Nevet, such as: logistics, computerization, rent, accounting services, etc. For these services, Nevet pays Leket a consideration at cost. In addition, the agreement determines that the income designated to the Sandwich Project that is still received by Leket will be fully transferred to Nevet.
3. During the previous reporting year, a decision was made by Leket’s executive committee to forgive the Company’s debt in the amount of NIS 500,000, which originated in the mutual accounting in respect of previous years. The Company recorded this amount as income from a donation.

**Note 7 – Capital Stock**

Composition as of December 31, 2019 and 2018:

	Listed Number of Shares	Issued and Paid-up Number of Shares
Common 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 Participations**

	For the Year ended December 31	
	2019	2018
	NIS	
Donations	1,748,473	3,059,506
Participations of educational institutions and local councils	1,930,238	1,306,840
	3,678,711	4,366,346

See also Notes 6 and 8.

**Notes to Financial Statement**  
**As of December 31, 2019**

**Note 10 – Value of Volunteers**

The Company is assisted by volunteer work for no consideration for the Company's goals. During 2019, the Amuta made use of 52,746 volunteer hours at a monetary value of NIS 1,536 thousand (in 2018 – 50,239 volunteer hours at a monetary value of NIS 1,463 thousand). This amount is included in the Amuta's statement of activities as income and expenses. The monetary value was calculated based on the minimum wage.

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

**Note 11 – Cost of Activities**

	Note	For the Year ended December 31	
		2019	2018
		NIS	
Products for preparing sandwiches		1,696,542	1,689,323
Value of volunteers	10	1,535,963	1,462,960
Deliveries		170,489	(*) 141,636
Salaries and related expenses		439,117	(*) 254,846
Rent, operations and logistics		131,383	102,234
Advertising and printing		144,476	103,530
		4,117,970	3,754,529

(\*) Reclassified

**Note 12 – Administrative and General Expenses**

	For the Year ended December 31	
	2019	2018
	NIS	
Salaries and related expenses	371,495	347,699
Accounting and personnel services	24,000	22,914
Rent, maintenance and office expenses	43,073	59,690
Vehicle maintenance	57,058	57,521
Professional services	54,093	18,720
Fees	1,133	1,120
Bank fees	1,334	5,368
	552,186	513,032

**Nevat, Future Growth 2015 Ltd. (PBC)**  
**Notes to Financial Statement**  
**As of December 31, 2019**

**Note 13 – Events Subsequent to the Balance Sheet Date**

Subsequent to the balance sheet date, the State of Israel took significant steps to prevent the spread of the Corona virus in Israel. As of the date of publication of the report, the NPO's management believes that the spread of the Corona virus is likely to affect the NPO's activities and its results. However, the NPO's management is unable to assess and quantify the impact of the continued spread of the Corona virus on the results of its operations at this time.