Table to Table - Leket Israel (Reg. NPO)

Financial Statements

as of December 31, 2016

The information contained in these financial statements constitutes an unofficial translation of the financial statements published by the Association in Hebrew. ‎The Hebrew version is the binding version. ‎This translation was prepared for purposes of convenience.

# Table to Table - Leket Israel (Reg. NPO)

# Financial Statements

# as of December 31, 2016‎

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# Auditor’s Report to the Members of the Association

# of

# Table to Table - Leket Israel (Reg. NPO)

We have audited the accompanying balance sheets of Table to Table - Leket Israel (Reg. NPO) (hereinafter “the Association”) as of December 31, 2016 and 2015 and the statements ‎of ‎activities, statements of changes in net assets and the statements ‎of ‎cash ‎flows ‎for ‎the ‎years ‎then ‎ended. ‎These ‎financial ‎statements ‎are the responsibility ‎of ‎the ‎Association’s ‎executive ‎committee ‎and ‎management. ‎Our responsibility ‎is ‎to ‎express ‎an ‎opinion ‎on ‎these ‎financial ‎statements based on our audits.

We conducted‎ our‎ audits‎ in‎ accordance‎ with‎ generally accepted auditing standards in Israel, including‎ ‎those‎ ‎prescribed‎ ‎by‎ ‎the‎ ‎Israeli‎ ‎Auditors’ Regulations (Auditor’s‎ ‎Mode‎ ‎of‎ ‎Performance) – 1973. Those‎ standards‎ required‎ 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 executive committee and management of the Association, 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 Association‎ on‎ December‎ 31,‎ 2016 and 2015, and the results of its operations, changes in net assets and its cash flows, for‎ each‎ ‎of‎ ‎the‎ ‎years‎ then‎ ‎ended,‎ in‎ accordance‎ with‎ generally‎ accepted‎ accounting‎ principles‎ ‎in‎ ‎Israel‎ ‎‎(Israeli‎ GAAP). ‎

Stark‎ &‎ Stark

Certified‎ Public‎ Accountants‎ (Israel)‎ ‎‎ ‎

Ra’anana,‎ June‎ 25,‎ 2017

# Table‎ to‎ Table‎ -‎ Leket‎ Israel‎ (Reg. NPO)‎

# Balance‎ Sheets‎ as‎ of‎ December‎ 31,‎ 2016‎‎

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ‎ ‎‎ ‎‎ ‎‎ ‎‎ ‎‎ ‎ |  | **As of December‎ 31‎** | | |
|  |  | **2016** |  | **2015** |
|  | ‎  **Note** | NIS‎ thousands |  | NIS‎ thousands |
| **Current‎ Assets** |  | 17,523 |  | 11,487 |
| Cash‎ and‎ cash‎ equivalents |  | 806 |  | 6,123 |
| Short-term‎ deposits |  | 99 |  | 30 |
| Post-dated‎ checks‎ receivable | 3 | 943 |  | 1,020 |
| Accounts‎ receivable‎ and‎ other‎ current‎ assets | 4 | 330 |  | - |
| Related parties | 2G | - |  | 3 |
| Investments‎ in‎ futures‎ contracts |  | 19,701 |  | 18,663 |
|  |  |  |  |  |
| **Long-term‎ deposits** |  | 533 |  | 342 |
|  |  |  |  |  |
| **Fixed‎ assets,‎ net** | 5 | 5,622 |  | 4,986 |
|  |  |  |  |  |
|  |  | 25,856 |  | 23,991 |
| **Current‎ liabilities**‎ ‎‎ |  |  |  |  |
| Suppliers‎ and‎ post-dated‎ checks‎ payable |  | 1,688 |  | 2,648 |
| Investments‎ in‎ futures‎ contracts | 2G | 10 |  | - |
| Accounts‎ payable‎ and‎ other‎ current‎ liabilities |  | 1,932 |  | 1,836 |
|  |  | 3,630 |  | 4,484 |
|  |  |  |  |  |
| **Net‎ provision‎ for‎ severance‎ pay** | 7 | 525 |  | 485 |
|  |  |  |  |  |
| **Unrestricted‎ Net‎ Assets** |  |  |  |  |
| For‎ activities |  | 12,563 |  | 13,010 |
| For‎ fixed‎ assets |  | 5,622 |  | 4,986 |
|  |  | 17,996 |  | 18,185 |
|  |  |  |  |  |
| **Temporarily‎ restricted‎ net‎ assets‎** | 8 | 3,516 |  | 1,026 |
|  |  |  |  |  |
|  |  | 25,856 |  | 23,991 |

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Executive‎ Committee‎ member‎ -‎ ‎Joseph Gitler‎ ‎‎

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Executive‎ Committee‎ member‎ -‎ ‎Stephen‎ Provisor‎

‎

# Table‎ to‎ Table‎ -‎ Leket‎ Israel‎ (Reg. NPO)‎

# Statement‎ of‎ Activities‎ ‎

# For‎ the‎ year‎ ended‎ December‎ 31,‎ 2016‎‎

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ‎ ‎‎ ‎‎ ‎‎ ‎‎ ‎‎‎ ‎‎ ‎‎ ‎‎ ‎‎ ‎‎ ‎ |  | **Year ending December‎ 31‎** | | |
|  |  | **2016** |  | **2015** (\*) |
|  | **‎Note** | NIS |  | NIS‎ |
| **Income‎ from‎ activities** |  |  |  |  |
| Donations‎ | 9 | 33,904 |  | 41,412 |
| In-kind, food and service in cash equivalents | 10 | 93,420 |  | 83,677 |
| Volunteer services | 11 | 3,880 |  | 3,212 |
|  |  | 131,204 |  | 128,301 |
|  |  |  |  |  |
| Revenues‎ from‎ procurement‎ project |  | - |  | 70 |
|  |  |  |  |  |
|  |  | 2,927 |  | 2,660 |
| Revenues‎ released‎ from‎ restriction | 8 | 134,131 |  | 131,031 |
|  |  |  |  |  |
| **Cost‎ of‎ activities** |  |  |  |  |
| Salaries‎ and‎ related‎ expenses |  | 11,736 |  | 10,400 |
| Cost‎ of‎ in‎-kind,‎ food‎ and‎ services ‎in cash equivalents | 10 | 93,419 |  | 83,677 |
| Volunteer services | 11 | 3,699 |  | 3,041 |
| Direct‎ operating‎ expenses | 12 | 18,880 |  | 21,152 |
|  |  | 127,734 |  | 118,270 |
|  |  |  |  |  |
| **Net‎ income‎ from‎ activities** |  | 6,397 |  | 12,761 |
|  |  |  |  |  |
| General‎ and‎ administrative‎ expenses | 13 | 7,021 |  | 6,693 |
|  |  |  |  |  |
| **Net‎ income‎ (expenses)‎ before‎ financing** |  | (624) |  | 6,068 |
|  |  |  |  |  |
| Net‎ financing‎ expenses |  | 2 |  | (13) |
|  |  |  |  |  |
| Net‎ income‎ (expense)‎ after‎ financing‎ expenses |  | (622) |  | 6,055 |
|  |  |  |  |  |
| Capital‎ gain‎ (loss)‎ |  | 29 |  | 125 |
|  |  |  |  |  |
| Net‎ surplus‎ for‎ the‎ year |  | (593) |  | 6,180 |

‎

(\*)‎ Reclassified

‎

# Table‎ to‎ Table‎ -‎ Leket‎ Israel‎ (Reg.NPO)‎

# Statement‎ of‎ Changes‎ in‎ Net‎ Assets‎ ‎

# For‎ the‎ year‎ ended‎ December‎ 31,‎ 2016‎‎

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Unrestricted‎ Net‎ Assets** | | **Temporarily Restricted‎ Net‎ Assets ‎ ‎‎** | | **Total‎** |
|  | **For‎ Activities** | **For‎ Fixed‎**  **Assets‎** |
|  | NIS‎ thousands‎ | | | | |
| Balance‎ as‎ of‎ January‎ 1, 2015 | 8,249 | 3,567 | 2,660 | 14,476 | |
| Additions‎ (reductions)‎ during‎ the‎ year:‎‎‎ |  |  |  |  | |
| Net‎ surplus‎ for‎ the‎ year‎ | 6,180 | - | - | 6,180 | |
| Donations | - | - | 1,026 | 1,026 | |
| ‎Sums‎ released‎ from‎ restriction | - |  | (2,660) | (2,660) | |
| Sums‎ used‎ for‎ the‎ purchase‎ of‎ fixed‎ assets | ‎(2,721)‎ | 2,721 | - | - | |
| Net‎ sums‎ from‎ the‎ sale‎ of‎ fixed‎ assets | ‎146‎ | (146) | - | - | |
| Sums‎ transferred‎ to‎ cover‎ depreciation‎ expenses | ‎1,156‎ | (1,156) | - | - | |
|  | ‎13,010‎ | 4,986‎ | 1,026 | 19,022 | |
| **Balance‎ as‎ of‎ December‎ 31,‎ 2015** |  |  |  |  | |
| **Additions‎ (reductions)‎ during‎ the‎ year:‎** |  |  |  |  | |
| Net‎ surplus‎ for‎ the‎ year | ‎(593)‎ | ‎-‎ | ‎-‎ | ‎(593)‎ | |
| Donations‎ | ־ | ־ | ‎6,199‎ | ‎6,199‎ | |
| Sums‎ released‎ from‎ restriction | ־ | ־ | ‎(2,927)‎ | ‎(2,927)‎ | |
| Sums‎ used‎ for‎ the‎ purchase‎ of‎ fixed‎ assets | ‎-‎ | ‎782‎ | ‎(782)‎ | ‎-‎ | |
| Net‎ sums‎ from‎ the‎ sale‎ of‎ fixed‎ assets | ‎(1,089)‎ | ‎1,089‎ | ־ | - | |
| Sums‎ transferred‎ to‎ cover‎ depreciation‎ expenses | ‎75‎ | ‎(75)‎ | ־ | ‎-‎ | |
|  | ‎1,160‎ | ‎(1,160)‎ | ־ | ‎-‎ | |
| Balance‎ as‎ of‎ December‎ 31,‎ 2016 | ‎12,563‎ | ‎5,622‎ | ‎3,516‎ | 21,701 | |

‎

‎

# Table‎ to‎ Table‎ -‎ Leket‎ Israel‎ (Reg. NPO)‎

# Statement‎ of‎ Cash‎ Flows‎ ‎

# For‎ the‎ year‎ ended‎ December‎ 31,‎ 2016‎‎

|  |  |  |  |
| --- | --- | --- | --- |
| ‎ ‎‎ ‎‎ ‎ ‎‎ ‎‎ ‎‎ ‎‎ ‎‎ ‎ | **Year ending December‎ 31‎** | | |
|  | **2016** |  | **2015** |
|  | NIS‎ thousands |  | NIS‎ thousands |
| **Cash‎ flows‎ from‎ (to) operating‎ activities** |  |  |  |
| Net‎ surplus‎ for‎ the‎ year | (593) |  | 6,180 |
| Adjustments‎ required‎ to‎ present‎ cash‎ flows‎ from‎  operating‎ activities‎ ‎ | (2,929) |  | (771) |
| Net‎ cash‎ provided‎ by‎ operating‎ activities | (3,522) |  | ‎‎ 5,409 |
|  |  |  |  |
| **Cash‎ flows‎ from‎ investing‎ activities‎ ‎‎ ‎‎ ‎‎** |  |  |  |
| Purchase‎ of‎ fixed‎ assets‎ ‎‎ | (1,871) |  | ‎‎ (2,721)‎ |
| Sale‎ of‎ fixed‎ assets‎ ‎‎ ‎ | 104 |  | 271‎ ‎ |
| Decrease‎ (increase)‎ in‎ short-term‎ deposit‎ ‎‎ | 5,317 |  | (5,291) |
| Increase‎ (decrease)‎ in‎ long-term‎ deposit | (191) |  | ‎‎ (61)‎ ‎‎ |
| Net‎ cash‎ ‎used‎ in‎ investing‎ activities‎ ‎‎ ‎‎ ‎‎ ‎‎ | 3,359 |  | ‎‎ (7,802)‎ |
|  |  |  |  |
| **Cash‎ flows‎ from‎ financing‎ activities‎ ‎‎ ‎‎ ‎‎** |  |  |  |
| Receipts to net assets from external parties‎ ‎‎ ‎‎ | 6,199 |  | 1,026 |
| Net‎ cash‎ provided‎ by‎ financing‎ activities‎ ‎‎ ‎‎ ‎‎ ‎‎ ‎‎ | 6,199 |  | ‎‎ ‎1,026 |
|  |  |  |  |
| Increase‎ (decrease)‎ in‎ cash‎ from‎ activities‎ this‎ year‎ | 6,036 |  | ‎‎ ‎(1,367)‎ ‎ |
| Cash‎ balance‎ at‎ the‎ beginning‎ of‎ year | 11,487 |  | 12,854‎ |
| Total‎ cash‎ balance‎ at‎ end‎ of‎ the‎ year‎ | 17,523 |  | 11,487‎ ‎ |

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# Table‎ to‎ Table‎ -‎ Leket‎ Israel‎ (Reg. NPO)‎

# Statement‎ of‎ Cash‎ Flows‎ ‎

# For‎ the‎ year‎ ended‎ December‎ 31,‎ 2016‎‎

‎

**Adjustments‎ required‎ to‎ present‎ cash‎ flows‎ from‎ operating‎ activities‎**

‎ ‎‎

|  |  |  |  |
| --- | --- | --- | --- |
| ‎ ‎‎ ‎‎ ‎ ‎‎ ‎‎ ‎‎ ‎‎ ‎‎ ‎ | **Year ending December‎ 31‎** | | |
|  | **2016** |  | **2015** |
|  | NIS‎ thousands |  | NIS‎ thousands |
| Income‎ not‎ related‎ to‎ cash‎ flows‎ ‎‎ ‎‎ ‎‎ |  |  |  |
| Depreciation‎ ‎‎ ‎ | 1,160 |  | 1,156 |
| Increase‎ in‎ reserve‎ for‎ severance‎ pay‎ ‎‎ ‎ | 40 |  | 67 |
| Capital‎ gain‎ (loss)‎ on‎ sale‎ of‎ fixed‎ assets‎ ‎‎ | (29) |  | ‎(125) |
| Sums‎ released‎ from‎ temporarily‎ restricted‎ net‎ assets‎ ‎‎ ‎‎ ‎‎ ‎‎ ‎‎ ‎‎ | (2,927) |  | (2,660( |
|  | (1,756) |  | (1,562) |
| Changes‎ in‎ assets‎ and‎ liabilities |  |  |  |
| Decrease‎ (increase)‎ in‎ investments‎ in‎ futures‎ contracts‎ ‎‎ | 13 |  | ‎(105)‎ |
| Decrease‎ (increase)‎ in‎ post-dated‎ checks‎ receivable‎ | (69) |  | 58 |
| Decrease‎ (increase)‎‎ in‎ accounts‎ receivable‎ and‎ other‎ current‎ assets‎ ‎‎ | 77 |  | ‎(244)‎ ‎ |
| Increase in related party | (330) |  | - |
| Increase‎ ‎in‎ trade‎ accounts‎ payable‎ and‎ post-dated‎ checks‎ payable‎ | (960) |  | ‎‎ ‎48 |
| Increase (decrease) in‎ accounts‎ payable‎ and‎ other‎ current‎ liabilities‎ | 96 |  | ‎‎ ‎205 |
| Decrease‎ in‎ income‎ receivable‎ ‎‎ ‎‎ ‎‎ ‎‎ ‎‎ | - |  | ‎‎ ‎‎ 829 |
|  | (1,173) |  | 791 |
|  |  |  |  |
|  | (2,929) |  | (711) |

‎‎ ‎‎ ‎‎ ‎‎ ‎‎ ‎‎ ‎‎

‎

## Note‎ 1‎ –‎ General‎

‎

1. ‎Table‎ ‎to‎ ‎Table‎ ‎-‎ ‎Leket‎ ‎Israel‎ ‎(NPO)‎ ‎(hereinafter‎ ‎”‎the‎ ‎Association)‎ ‎is‎ ‎a‎ ‎non-profit‎ ‎institution (registration‎ number‎ 580407633)‎ registered‎ in‎ accordance‎ with‎ the‎ Associations‎ Law‎ on‎ March‎ ‎18,‎ 2003‎ under‎ the‎ name‎ “‎Table‎ to‎ Table‎ (Reg. NPO).”‎ ‎On‎ November‎ 16,‎ 2009,‎ the‎ Association‎ ‎changed‎ its‎ name‎ to‎ “‎Table‎ to‎ Table‎ –‎ Leket‎ Israel‎ (NPO).”‎
2. The‎ Association’s‎ goals‎ are:‎
   1. To‎ collect‎ leftover‎ food‎ products,‎ as‎ well‎ as‎ cooked‎ foods‎ from‎ events,‎ army‎ bases,‎ hotels‎ and‎ cafeterias,‎ that‎ under‎ other‎ circumstances‎ would‎ be‎ thrown‎ away,‎ and‎ to‎ distribute‎ the‎ food‎ to‎ existing‎ organizations‎ that‎ assist‎ the‎ needy.‎
   2. ‎To‎ ‎collect‎ ‎dry‎ ‎foods‎ ‎from‎ ‎businesses‎ ‎and‎ ‎distribute‎ ‎them‎ ‎to‎ ‎organizations assisting ‎the‎‎ needy.‎ ‎
   3. ‎To‎ collect‎ agricultural‎ products‎ from‎ farmers‎ and‎ resellers‎ for‎ distribution‎ to‎ the‎ needy.‎
   4. ‎To‎ assist‎ civilians‎ and‎ Israel‎ Defense‎ Force‎ soldiers‎ as‎ needed‎ during‎ times‎ of‎ emergency.‎ In‎ this‎ context, ‎emergency‎ periods‎ refer‎ to‎ times of war,‎ military‎ operations,‎ and‎ any‎ other‎ period‎‎ in‎ which‎ the‎ civilian‎ population‎ is‎ under‎ any‎ kind‎ of‎ threat‎ by‎ virtue‎ of‎ its‎ being‎ a‎ civilian‎‎ population.‎
   5. The‎ collection,‎ acquisition‎ and‎ distribution‎ of‎ food‎ to‎ the‎ needy‎ to‎ promote‎ solutions‎ to‎ ‎the‎ problem‎ of‎ food‎ shortages‎ in‎ Israeli‎ society.‎‎
   6. To‎ be‎ engaged‎ in‎ any‎ act‎ of‎ kindness,‎ charity,‎ and‎ aid‎ to‎ those‎ in‎ need.
3. ‎The‎ ‎Association‎ ‎has‎ ‎been‎ ‎recognized‎ ‎as‎ ‎a‎ ‎public‎ ‎institution‎ ‎by‎ ‎the‎ ‎Israeli‎ tax authorities‎ ‎in‎ ‎ accordance‎ with‎ Section‎ 9‎(2)‎ of‎ the‎ Income‎ Tax‎ Ordinance.‎
4. ‎The‎ Association‎ has‎ approval‎ under‎ Section‎ 46‎ of‎ the‎ Income‎ Tax‎ Ordinance‎ until‎ the‎ end‎ of‎‎ 2017.‎ ‎
5. ‎The‎ management‎ practices‎ of‎ the‎ Association‎ are‎ certified‎ by‎ the‎ Registrar‎ of‎ Associations‎ until‎ the‎ end‎ of‎ 2017.
6. ‎Amendment‎ to‎ the‎ Associations‎ Law‎ (Amendment‎ No.‎ 11)‎ –‎ 2008

During‎ ‎the‎ ‎fiscal‎ ‎year, ‎‎the‎ ‎Association‎ ‎did‎ ‎not‎ ‎receive‎ ‎contributions‎ ‎from‎ a foreign‎ political entity‎ for‎ its ‎operations‎.

## Note‎ 2‎ -‎ Significant‎ Accounting‎ Policies‎

1. **Reporting Principals**

The financial statements have been prepared in accordance with generally accepted accounting principles and in accordance with Opinion No. 69 issued by the Institute of Certified Public Accountants in Israel, in regards to accounting and financial reporting principles for nonprofit organizations and as prescribed in Accounting Standard No. 5 published by the Israeli Accounting Standards Board, and in accordance with Accounting Standard No. 36, ‎which includes amendments and interpretations to Opinion No. 69 and Standard No. 5‎.

1. **Financial‎ Reports‎ in‎ reported‎ amounts**
   1. ‎The‎ ‎Association‎ ‎applies‎ ‎the‎ ‎provisions‎ ‎of‎ ‎Accounting‎ ‎Standard‎ ‎No.‎ ‎12‎ ‎of‎ ‎the Israel Accounting‎ Standards‎ Board – “‎Discontinuance‎ of‎ Adjustment‎ of‎ Financial‎ Statements.”.‎
   2. ‎The non-monetary asset amounts do not necessarily represent realization or updated economic value, but rather the reported amounts of those assets.‎
   3. ‎In‎ the‎ financial‎ statements,‎ “‎cost”‎‎ means‎ cost‎ in‎ reported‎ amounts.‎
2. ‎**Use‎ of‎ Estimates**‎

The‎ preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities disclosed in the financial statements and the amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates.

1. ‎**Cash‎ and‎ cash‎ equivalents**:‎

The‎ Association‎ views‎ highly‎ liquid‎ assets,‎ including‎ short-term bank‎ deposits‎ with‎ an‎ original‎ term‎ to‎ maturity‎ of‎ up‎ to‎ three‎ months,‎ as‎ cash‎ equivalents

1. ‎**Fixed‎ assets**‎
   1. Depreciation‎‎ is calculated using the straight-line depreciation method at annual rates considered sufficient to depreciate the assets over their estimated useful lives.‎
   2. Improvements‎ ‎and‎ ‎enhancements‎ are‎ ‎capitalized‎ ‎to‎ ‎the‎ ‎cost‎ of‎ ‎the‎ ‎assets‎ while‎ ‎repairs‎ and‎ maintenance‎ are‎ expensed‎ as‎ incurred.‎
   3. Annual‎ depreciation‎ rates‎ are‎ as‎ follows:‎

|  |  |
| --- | --- |
|  | % |
| Vehicles | 15-20 |
| Furniture, equipment and computers | 6-33 |
| Leasehold improvements | 7-10 |

‎

## Note‎ 2‎ -‎ Significant‎ Accounting‎ Policies‎ (cont.)‎

1. **Employee‎ Benefits**‎

Liabilities for short-term employee benefits

Short-term employee benefits include salaries, vacation and National Insurance Institute contributions and are recognized as expenses upon the provision of services.‎

Liabilities‎ for‎ employee‎ termination‎ benefits:‎

The‎ ‎Association’s‎ ‎liabilities‎ ‎for‎ ‎employee‎ ‎termination‎ ‎benefits‎ ‎are‎ ‎recorded‎ in ‎appropriate obligations‎ under‎ law,‎ agreement,‎ practice,‎ and‎ management‎ expectations.‎

1. ‎**Future‎ contracts**

The‎ ‎investment‎ ‎in‎ ‎future‎ ‎contracts‎ ‎not‎ ‎intended‎ ‎for‎ ‎hedging‎ ‎are‎ ‎presented in the ‎‎financial‎ statements‎ in‎ accordance‎ with‎ Israel‎ Accounting‎ Standard‎ No.‎ 22,‎ at‎ their‎ fair‎ ‎value.‎ ‎Fair‎ value‎‏ ‏fluctuations‎ are‎ recognized‎ in‎ the‎ financing‎ item‎ in‎ the‎ statement‎ of‎ ‎activities‎ in‎ the‎ period‎ they‎‏ ‏occurred.‎

1. **‎‎Recognition‎ of‎ income‎ and‎ expenses‎**

The‎ Association‎ reports‎ its‎ income‎ and‎ expenses‎ by‎ the‎ accrual‎ basis.‎

1. **‎Donations‎ in‎ kind‎**

Since 2011, the Association has been managing the food inventory and its distribution using a computerized system for the precise recording of quantities of dry food, cooked food and agricultural produce arriving at the Association’s warehouses as donations. The value of the donations is recorded on the Association's books on the cost basis. See Note 10.‎

1. **Related Parties**

Are as defined in Opinion 29 issued by the Institute of Certified Public Accountants in Israel.

**Note‎ 2‎ -‎ Significant‎ Accounting‎ Policies‎ (cont.)‎**

1. **Balances‎ linked‎ to‎ and‎ denominated‎ in‎ foreign‎ currency‎**

Balances‎ denominated‎ in‎ or‎ linked‎ to‎ foreign‎ currency‎ are‎ included‎ in‎ the‎ financial‎ statements‎ according‎ to‎ the‎ representative‎ exchange‎ rates‎ prevailing‎ on‎ the‎ balance‎ sheet‎ date.‎

Presented‎ below are‎ data‎ on‎ the‎ exchange‎ rate‎ of‎ the‎ U.S.‎ dollar‎ and‎ the‎ Consumer‎ Price‎ Index:‎

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ‎ |  | Representative  exchange rate  of USD in NIS |  | Consumer Price index for December –  in points (\*) |
| As of |  |  |  |  |
| 31.12.2016 |  | 3.845 |  | 100.9 |
| 31.12.2015 |  | 3.902 |  | 101.1 |
|  |  |  |  |  |
| Rate of change in year ended on |  | % |  | % |
| 31.12.2016 |  | (1.46) |  | (0.2) |
| 31.12.2015 |  | 0.33 |  | (1.0) |

(\*) Base index is 2012.

‎

## Note‎ 3‎ –‎ Accounts‎ Receivable‎ and‎ Other‎ Debit‎ Balances‎

‎

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | As‎ of‎ December‎ 31‎ | | |
|  |  | 2016 |  | 2015 |
|  |  | ‎NIS‎ thousands |  | ‎NIS‎ thousands |
| “‎Israel‎ Toremet”‎‎ company |  | 709 |  | 799 |
| Advances‎ to‎ suppliers |  | 14 |  | 8 |
| Prepaid‎ expenses |  | 220 |  | 211 |
|  |  | - |  | - |
| Other‎s |  | 943 |  | 1,020 |

‎

## Note‎ 4‎ –‎ Related Party‎

A. Current receivables from a related party

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | As‎ of‎ December‎ 31‎ | | |
|  |  | 2016 |  | 2015 |
|  |  | ‎NIS‎ thousands |  | ‎NIS‎ thousands |
| Nevet Sandwich for Every Child Future Growth 2015 |  | 330 |  | - |

B. Transactions with a related party – Nevet Future Growth Ltd. 2015

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | As‎ of‎ December‎ 31‎ | | |
|  |  | 2016 |  | 2015 |
|  |  | ‎NIS‎ thousands |  | ‎NIS‎ thousands |
| Transfers to a related party |  | (2,016) |  | - |
|  |  |  |  |  |
| Less expenses related to the Sandwich Project |  | 967 |  | - |

1. Nevet Sandwich for Every Child Future Growth 2015. (hereinafter: "Nevet Sandwich for Every Child ") was established in December 2015. Its goals are, *inter alia*, to provide breakfasts for schoolchildren. The Sandwiches Project has been operated by the Association for approximately ten years.
2. During the reporting year, the sandwich activity was gradually transferred from the Association to Nevet Sandwich for Every Child. As of May 2016, most of the expenses for the project were incurred through Nevet. Project revenues were transferred accordingly.
3. The Association carried both direct costs of purchasing and employees’ salaries until the date their employment was transferred to Nevet Sandwich for Every ChildNEVET, and also carried indirect expenses (accounting services, fundraising, public relations, etc.). In accordance with the above, mutual accounting was conducted between the entities.

## Note‎ 5‎ –‎ Fixed‎ Assets,‎ net‎

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|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | 2016 | | | | | 2015 |
|  | Leasehold improvements | Real estate | ‎‎ Vehicles | Furniture,‎  equipment‎ & computers | Total | Total |
|  | NIS Thousands | | | | | |
| **Cost:‎ ‎‎** |  |  |  |  |  |  |
| Balance‎ at‎ beginning‎ of‎ year | 1,585 | - | 4,695 | 4,675 | 10,955 | 9,454 |
| Additions‎ during‎ the‎ year‎ | 423 | 782 | 401 | 265 | 1,871 | 2,721 |
| Disposals‎ during‎ the‎ year | - | - | (1,602) | (1,404) | (3,006) | (1,220) |
| Balance‎ at‎ end‎ of‎ year | 2,008 | 782 | 3,494 | 3,536 | 9,820 | 10,955 |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| **Accumulated‎ depreciation** |  |  |  |  |  |  |
| Balance‎ at‎ beginning‎ of‎ year | 274 | - | 3,018 | 2,677 | 5,969 | 5,887 |
| Year’s‎ depreciation | 171 | - | 546 | 443 | 1,160 | 1,156 |
| Depreciation‎ of‎ year’s‎ disposals | - | - | (1,527) | (1,404) | (2,931) | (1,074) |
| Balance‎ at‎ end‎ of‎ year | 445 | - | 2,037 | 1,716 | 4,198 | 5,969 |
|  |  |  |  |  |  |  |
| Depreciated‎ cost:‎ | 1,563 | 782 | 1,457 | 1,820 | 5,622 | 4,986 |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| Annual‎ depreciation‎ rates | ‎ ‎7%-10%‎ | 0% | 15%-20%‎ | 6%-33%‎ ‎‎ ‎‎ ‎‎ |  |  |

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## Note‎ 6‎ –‎ Accounts‎ Payable‎ and‎ Other‎ Current‎ Liabilities

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|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | As‎ of‎ December‎ 31‎ | | |
|  |  | 2016 |  | 2015 |
|  |  | ‎NIS‎ thousands |  | ‎NIS‎ thousands |
| Credit‎ card‎ companies |  | ־ |  | ‎ ‎26‎ ‎ |
| Employees |  | 783 |  | ‎ ‎735‎ |
| Payroll‎ institutions |  | 552 |  | ‎ ‎457‎‎ |
| Accrued‎ expenses‎ ‎ |  | 128 |  | 115‎ ‎ |
| Provision‎ for‎ vacation |  | 467 |  | ‎ ‎500‎‎ |
| Other‎ ‎‎ ‎‎ |  | 2 |  | ‎‎ ‎‎ ‎‎ ‎‎ ‎‎ ‎‎ 3‎ |
|  |  | 1,932 |  | ‎ ‎‎ ‎‎ ‎‎ ‎‎ 1,836 |

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## Note‎ 7‎ -‎ Provision‎ for‎ Severance‎ Pay‎

Reserves‎ for‎ severance‎ pay‎ cover‎ the‎ balance‎ due‎ to‎ employees‎ ‎beyond‎ the‎ portion‎ of‎ the‎ liabilities‎ covered‎ by‎ managers’‎ insurance.‎ ‎The‎ amounts‎ so‎ deposited‎ are‎ not‎ included‎ in‎ the‎ balance‎ sheets,‎ since‎ they‎ are‎ not‎ under‎ the‎ control‎ or‎ management‎ of‎ the‎ Association.‎ ‎The‎ liability‎ amount‎ for‎ severance‎ pay‎ included‎ in‎ the‎ balance‎ sheets‎ expresses‎ the‎ balance‎ of‎ the‎ liability‎ not‎ covered‎ by‎ the‎ policies,‎ as‎ aforesaid.‎

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## Note‎ 8‎ -‎ Temporarily‎ restricted‎ net‎ assets‎ ‎

‎Following‎ are‎ details‎ of‎ donations‎ received/released‎ in‎ the‎ report‎ year:‎ ‎

1. ‎In‎ 2012,‎ a‎ donation‎ in‎ the‎ amount‎ of‎ NIS‎ 1,482‎ thousand‎ was‎ received‎ from‎ a‎ donor,‎ earmarked‎ for‎ use‎ toward‎ salary‎ expenses‎ of‎ the‎ Association’s‎ Executive‎ Director‎ for‎ the‎ years‎ 2013-2015.‎ The sum‎ of‎ NIS‎ 494‎ thousand‎ was‎ released during 2015.‎ ‎‎ ‎
2. ‎In‎ 2013,‎ a‎ donation‎ of‎ NIS‎ 1,200‎ thousand‎ was‎ received‎ from‎ a‎ donor,‎ earmarked‎ for‎ ‎the‎ expenses‎ of‎ the‎ ‎Table‎ to‎ Table‎‎ project‎ in‎ the‎ years‎ 2014‎-2015. The sum of NIS‎ 600‎ thousand‎ ‎was‎ released‎ for‎ activities‎ in‎ 2015.‎ ‎ ‎
3. ‎In‎ 2013,‎ a‎ donation‎ of‎ NIS‎ 1,424‎ thousand‎ was‎ received‎ from‎ a‎ donor,‎ earmarked‎ for‎ use‎ in‎ the‎ ‎Sandwich‎‎ project‎ in‎ the‎ years‎ 2014-2015.‎ The‎ sum‎ of‎ NIS‎ 712‎ thousand‎ was‎ released‎ for‎ activities‎ during‎ 2015.‎ ‎
4. ‎In‎ 2015,‎ a‎ donation‎ of‎ NIS‎ 854‎ thousand‎ was‎ received‎ to‎ cover‎ expenses‎ incurred‎ as‎ a‎ result‎ of‎ a‎ fire‎ that‎ occurred‎ in‎ the‎ Association’s‎ warehouse‎ in‎ Ra’anana‎ in‎ August‎ 2014.‎ The‎ Association‎ utilized‎ these‎ monies during 2015.
5. ‎In 2015,‎ ‎a‎ ‎donation‎ ‎of‎ ‎NIS‎ ‎546‎ ‎thousand‎ ‎was‎ ‎received‎ ‎from‎ ‎a‎ ‎donor,‎ earmarked‎ for‎ use‎ in‎ the‎ Sandwich‎‎ project‎ in‎ 2016-2017. The sum of NIS 243 thousand was released for activities in the report year.
6. ‎In‎ ‎2015,‎ ‎a‎ ‎donation‎ ‎of‎ ‎NIS‎ ‎480‎ ‎thousand‎ ‎was‎ ‎received‎ ‎from‎ ‎a‎ ‎donor,‎ earmarked‎ for‎ establishment‎ of‎ a‎ Visitors‎ Center. The amount is yet to be released.
7. In the report year, a donation of NIS 6,199 thousand was received, earmarked for purchasing agricultural land for the purpose of growing agricultural produce intended for distribution to the needy. In December 2016, the Association signed contracts for the purchase of 2 plots of land. The acquisition costs total NIS 3,515. During the reporting year, the Association paid only NIS 782 thousand. This amount was released from the restriction, and transferred to net assets used for fixed assets. In view of the fact that the Association did not utilize the entire donation for the purchase of the land, permission was received from the donor to use the balance of NIS 2,684 for the general activities of the Association. Therefore, this amount was released for operations during the report year.‎ ‎ ‎

## Note‎ 9‎ –‎ Donations‎

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ‎ |  | As‎ of‎ December‎ 31‎ | | |
|  |  | 2016 |  | 2015 |
|  |  | ‎NIS‎ thousands |  | ‎NIS‎ thousands |
| Donations to activities |  | 30,405 |  | 35,153 |
| Leket‎ Project |  | 754 |  | 662 |
| Sandwich‎es Project (\*) |  | 1,307 |  | 3,467 |
| Holidays ‎ Project |  | 586 |  | 503 |
| Gala‎ events |  | 741 |  | 1,296 |
| Infrastructure‎ for‎ Associations‎ Project |  | 111 |  | 261 |
| Aid‎ for‎ Southern‎ Communities‎ Project |  | - |  | 70 |
|  |  | 33,904 |  | 41,412 |

(\*) The total donations received during the report year for the Sandwiches Project amounted to NIS 3,323 thousand. A total of NIS 2,016 thousand was transferred to a related party for sandwich preparation services, in accordance with mutual accounting between the parties. See Note 4.

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## ‎Note‎ 10‎ -‎ Food‎, in-kind‎ donations and services in cash equivalents‎

1. ‎Dry‎ foods‎

During‎ ‎2016,‎ ‎the‎ ‎Association‎ ‎received‎ ‎donations‎ ‎of‎ ‎dry‎ ‎foods,‎ ‎such‎ ‎as‎ ‎dairy products,‎‎ ‎puddings,‎ ‎bread,‎ ‎etc.,‎ ‎having‎ ‎a‎ ‎monetary‎ ‎value‎ ‎of‎ ‎NIS‎ ‎6,343‎ ‎thousand (in 2015, NIS‎ ‎5,529 ‎thousand).

The‎ major‎ donors‎ are‎ the‎ following‎ firms:‎ Strauss,‎ Tara,‎ Super-Sol‎ and‎ ‎others.‎ The‎ food‎ ‎value was‎ calculated‎ based‎ on‎ the‎ market‎ price‎ of‎ the‎ food‎ in‎ the‎ ‎donor’s‎ supermarket‎ chains,‎ ‎net‎ of‎ a‎ 30%‎ discount,‎ after‎ clarifications‎ with‎ the‎ ‎supermarket‎ chains’‎ managers.

The‎ market‎ value‎ of‎ the‎ food‎ donated‎ during‎ the‎ report‎ ‎year‎ is‎ NIS‎ 9,060‎ thousand‎ ‎‎(in 2015, NIS‎ 7,899‎ thousand),‎ based‎ on‎ the‎ price‎ to‎ the‎ ‎consumer‎ at‎ leading‎ supermarket‎ chains.‎ ‎

1. Cooked‎ food

During‎ 2016,‎ the‎ ‎Association‎ received‎ donations‎ of‎ cooked‎ food‎ having‎ a‎ monetary‎ ‎value‎ of‎ NIS 33,747 thousand (in 2015,‎ NIS‎ 26,562‎ thousand).‎

The‎ major‎ donors‎ are‎ IDF‎ bases,‎ Intel, ‎hotels‎ and‎ others.‎

The‎ food’s‎ value‎ was‎ calculated‎ ‎based‎ on‎ the‎ number‎ of‎ donated‎ meals‎ multiplied‎ by‎ a‎ ‎price per‎ meal‎ of‎ NIS‎ 15, based on data received from ‎various ‎catering‎ companies.

In‎ the‎ report‎ year,‎ the‎ market‎ price‎ of‎ the‎ meals‎ is‎ estimated‎ at‎ ‎NIS‎ 56,245‎ thousand‎ ‎‎(in 2015‎, NIS‎ 44,270‎ thousand)‎ in‎ market‎ value‎ based‎ on‎ the‎ price‎ ‎of‎ a‎ meal‎ to‎ the‎ consumer‎ of‎ ‎NIS‎ 25.‎

1. Leket‎‎ Project

This‎ is‎ a‎ project‎ to‎ collect‎ ‎agricultural‎ produce‎ from‎ farmers‎ and‎ resellers.‎ The‎ ‎Association’s‎ employees‎ and‎ ‎volunteers‎ harvest‎ and‎ package‎ the‎ agricultural‎ produce.‎ This‎ produce‎ ‎is‎ then‎ distributed‎ to‎ soup‎ kitchens‎ and‎ charities‎ that‎ provide food‎ to‎ the‎ needy.

During‎ ‎2016,‎ ‎‎the‎ ‎Association‎ ‎received‎ ‎donations‎ ‎of‎ ‎agricultural‎ ‎produce‎ ‎from farmers ‎and resellers ‎‎totaling‎ ‎NIS‎ ‎48,924‎ ‎thousand‎ ‎(in 2015, NIS 45,844 ‎thousand). The value of the agricultural produce was calculated according to the wholesale fruit and vegetable prices published by the Ministry of Agriculture, multiplied by the number of kilograms received. The value of agricultural produce received as donations totaled NIS 80,642 thousand according‎ to‎ ‎ a‎ market‎ value‎ based‎ on‎ the‎ retail‎ price‎ in‎ the‎ leading‎ ‎supermarket‎ chain (in 2015, NIS‎ 77,550‎ ‎‎thousand).

1. ‎Value‎ of‎ food‎ and‎ services

During‎ 2016,‎ the‎ ‎Association‎ received‎ donations of food and services from the‎ following‎ suppliers:‎ ‎Strauss, Yotvata,‎ Tel‎ ‎Aviv‎ Hilton‎ Hotel‎ and‎ others‎ totaling‎ NIS‎ 4,406‎ thousand‎ ‎‎(in 2015,‎ NIS‎ 5,741‎ thousand)‎

**‎**

**Note‎ 11‎ -‎ Volunteers**

‎The‎ Association‎ is‎ assisted‎ by‎ volunteers‎ working‎ for‎ no‎ compensation,‎ some‎ whom‎ ‎use‎ their‎ own‎ private‎ vehicles‎ to‎ collect‎ and‎ distribute‎ food‎ to‎ the‎ needy.‎

During‎ 2016,‎ ‎the‎ Association‎ received‎ the‎ support‎ of‎ 155,217‎ volunteer‎ hours‎ at‎ a‎ ‎monetary‎ value‎ of‎ ‎NIS‎ 3,880‎ thousand‎ by‎ volunteers‎ in‎ projects‎ and‎ in‎ management‎ and‎ ‎administrative‎ ‎positions.‎ This‎ amount‎ is‎ included‎ in‎ the‎ Association’s‎ statement‎ of‎ ‎activities (in 2015, 138,908 volunteer hours‎‎ at‎ ‎a ‎monetary ‎value ‎of ‎NIS‎3,427 ‎thousand).‎‎ ‎The ‎monetary‎ ‎value‎ ‎is‎ ‎calculated according to the minimum wage for 2016.‎

This‎ ‎income‎ ‎and‎ ‎these‎ ‎expenses‎ ‎are‎ ‎included‎ ‎in‎ ‎the‎ ‎financial‎ ‎statements in accordance with the estimates of the Association’s management and as provided in‎ ‎Opinion‎ ‎No.‎ ‎69‎ ‎and‎ ‎Accounting‎ ‎Standard‎ ‎No.‎ 5‎ published‎ by‎ the‎ Israel‎ Accounting‎ Standards‎ ‎Board.

**Note‎ 12‎ –‎ Direct‎ Operating‎ Expenses ‎**

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|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | As‎ of‎ December‎ 31‎ | | |
|  |  | 2016 |  | 2015 |
|  |  | ‎NIS‎ thousands |  | ‎NIS‎ thousands |
| Procurement‎ project‎ ‎‎ ‎ |  | - |  | 73 |
| Leket‎ project‎ |  | 6,734 |  | 6,557 |
| Night‎ project‎ ‎‎ |  | 551 |  | 455 |
| Sandwich‎ project‎ ‎‎(\*) |  | 987 |  | 2,610 |
| Border‎ Police‎ and‎ Holocaust‎ Survivors‎ project‎ ‎‎ ‎ |  | 388 |  | 247 |
| Nahalal‎ project‎ ‎‎ ‎ |  | 841 |  | 1,606 |
| Holidays‎ project‎ |  | 94 |  | 206 |
| Infrastructure‎ for‎ Associations‎ |  | 245 |  | 545 |
| Gala‎ events‎ ‎‎ ‎ |  | 72 |  | 653 |
| Communications‎ ‎‎ ‎ |  | 245 |  | 284 |
| ‎Rental‎ fees‎ ‎‎ ‎ |  | 1,162 |  | 1,194 |
| Maintenance‎ |  | 975 |  | 1,021 |
| Insurance |  | 125 |  | 105 |
| Travel‎ and‎ deliveries |  | 48 |  | 51 |
| Advertising,‎ printing‎ and‎ continuing‎ education |  | 386 |  | 495 |
| Vehicle‎ maintenance including depreciation |  | 5,536 |  | 4,811 |
| Depreciation‎ |  | 171 |  | 97 |
| Taxes‎ and‎ fees |  | 320 |  | 142 |
|  |  | 18,880 |  | 21,152 |

(\*) See also note 4. ‎

**Note‎ 13‎ -‎ General‎ and‎ Administrative‎ Expenses‎ ‎‎**

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|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | As‎ of‎ December‎ 31‎ | | |
|  |  | 2016 |  | 2015 |
|  |  | ‎NIS‎ thousands |  | ‎NIS‎ thousands |
| Salaries‎ and‎ benefits |  | 4,027 |  | 3,526 |
| Value‎ of‎ volunteer‎ services (\*) |  | 181 |  | 171 |
| Rental‎ fees |  | 138 |  | 113 |
| Maintenance‎ |  | 359 |  | 243 |
| Communications |  | 32 |  | 46 |
| Office‎ expenses |  | 328 |  | 179 |
| Professional‎ services |  | 380 |  | 586 |
| Insurance |  | 11 |  | 13 |
| Travel‎ abroad |  | 192 |  | 155 |
| Vehicle‎ maintenance |  | 173 |  | 187 |
| Banking |  | 41 |  | 45 |
| Taxes‎ and‎ fees |  | 38 |  | 52 |
| Advertising‎ and‎ public‎ relations |  | 438 |  | 836 |
| Fundraising |  | 232 |  | 166 |
| Unrecoverable debts |  | 8 |  | - |
| Depreciation |  | 443 |  | 375 |
|  |  | 7,021 |  | 6,693 |

‎ ‎‎

(\*) See also Note 11.

## Note‎ 14‎ –‎ Guarantees ‎

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The‎ Association‎ furnished‎ bank‎ guarantees‎ totaling‎ NIS‎ 80‎ thousand‎ for‎ the‎ rental‎ of‎ a building, renting trucks, and guarantees for implementation of a joint initiative with the Ministry of Agriculture (in 2015, NIS 306 thousand for renting “Dolav” plastic box pallets).‎