

**Naboth's Vineyard LTD (CC)**

**Financial Statements as of December 31 2017**

**Naboth's Vineyard LTD (CC)**

**Financial Statements as of December 31 2017**

**Table of Contents**

	<u>Page</u>
Auditors' Report to The Shareholders	1
Balance Sheets	2
Statements of Activities	3
Statement of Changes in Net Assets	4
Notes to the Financial Statements	5-9

**Auditors' Report**  
**To the shareholders of**  
**Naboth's Vineyard LTD (CC)**

We have audited the accompanying balance sheets of Naboth's Vineyard LTD (CC) (hereinafter: "the Company") as of December 31 2017 and 2016, the statement of activities and the statement of changes in net assets for each of the years then ended. 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 conducted our audits in accordance with generally accepted auditing standards in Israel, including those prescribed by the Auditor's Regulations (Auditor's Mode of Performance)-1973. Those 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 examination, on a test basis, of 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 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, the results of its activities and the changes in its net assets for each of the years then ended, in conformity with generally accepted accounting principles in Israel (Israeli GAAP).

**Ben David, Shalvi, Kop**  
**Certified Public Accountants, (Isr.)**

Jerusalem, \_\_\_\_\_ 2018

**Naboth's Vineyard LTD (CC)**  
**Balance Sheets**  
**(New Israeli Shekels)**

	<u>Note</u>	<u>As of December 31</u>	
		<u>2017</u>	<u>2016</u>
<b><u>Current Assets</u></b>			
Cash and cash equivalents	3	124,676	110,051
<b><u>Fixed Assets, Net</u></b>			
	4	73,228	2,655
		<u>197,904</u>	<u>112,706</u>
<b><u>Current Liabilities</u></b>			
Creditors and credit balances	5	31,865	32,005
<b><u>Long Term Liabilities</u></b>			
Reserve for severance pay, Net	6	-	1,547
<b><u>Net Assets</u></b>			
<b><u>Unrestricted Net Assets</u></b>			
Used for current activities		72,064	36,351
Used for fixed assets		73,228	2,655
		<u>145,292</u>	<u>39,006</u>
<b><u>Temporarily Restricted Net Assets</u></b>		<b>20,740</b>	<b>40,141</b>
<b><u>Share Capital</u></b>	7	<u>7</u>	<u>7</u>
		<u>166,039</u>	<u>79,154</u>
		<u>197,904</u>	<u>112,706</u>

\_\_\_\_\_

Date

\_\_\_\_\_

Member of the  
Board

\_\_\_\_\_

Member of the  
Board

**The attached notes are an integral part of these statements.**

**Naboth's Vineyard LTD (CC)**  
**Statements of Activities**  
**(New Israeli Shekels)**

	<u>Note</u>	<u>Year ended</u> <u>December 31</u>	
		<u>2017</u>	<u>2016</u>
Activities turnover	8	375,332	346,944
Cost of activities	9	<u>231,235</u>	<u>289,540</u>
Net income from activities		144,097	57,404
General and administrative expenses	10	<u>37,294</u>	<u>19,285</u>
Net income before financing		106,803	38,119
Net financial expenses	11	<u>517</u>	<u>989</u>
Net income for the year		<u><b>106,286</b></u>	<u><b>37,130</b></u>

**The attached notes are an integral part of these statements.**

**Naboth's Vineyard LTD (CC)**  
**Statement of Changes in Net Assets**  
**(New Israeli Shekels)**

	Net Assets				Total
	Unrestricted		Temporarily Restricted	Share Capital	
	Used for Activities	Used for Fixed Assets			
<b>Balance as of January 1 2016</b>	<b>(1,431)</b>	<b>3,307</b>	<b>46,951</b>	<b>7</b>	<b>48,834</b>
<u>Changes during the year</u>					
Designated donations	-	-	40,141	-	40,141
Net income for the year	37,130	-	-	-	37,130
Amounts released from restriction to activities	-	-	(46,951)	-	(46,951)
<u>Transfer of unrestricted amounts</u>					
Used for fixed assets	(1,219)	1,219	-	-	-
To cover depreciation expenses	1,871	(1,871)	-	-	-
<b>Balance as of December 31 2016</b>	<b>36,351</b>	<b>2,655</b>	<b>40,141</b>	<b>7</b>	<b>79,154</b>
<u>Changes during the year</u>					
Designated donations	-	-	20,740	-	20,740
Net income for the year	106,286	-	-	-	106,286
Amounts released from restriction to activities	-	-	(40,141)	-	(40,141)
<u>Transfer of unrestricted amounts</u>					
Used for fixed assets	(72,990)	72,990	-	-	-
To cover depreciation expenses	2,417	(2,417)	-	-	-
<b>Balance as of December 31 2017</b>	<b>72,064</b>	<b>73,228</b>	<b>20,740</b>	<b>7</b>	<b>166,039</b>

The attached notes are an integral part of these statements.

**Naboth's Vineyard LTD (CC)**  
**Notes to the Financial Statements**  
**(New Israeli Shekels)**

**Note 1 - General**

- A. Naboth's Vineyard LTD (CC) (hereinafter: "the company") was established in February 2012, and began operating on January 2014.  
The company's number is: 514732718.
- B. The company's goals are to explore different sides and aspects of Israel's policy in the field of land management in all territories under its control, and in particular the distribution of lands and confiscating them, the use of the lands and the supervision of the access to those lands.
- C. The company is recognized as a Not for Profit Organization by the V.A.T. Authorities and as a "public institution" as defined in section 9(2) of the Income Tax Ordinance.
- D. The Organization has a proper management confirmation form in 2018.

**Note 2 - Significant Accounting Policies**

- A. The financial statements were prepared according to generally accepted accounting principles for non profit organizations and in accordance with Standard No. 5 of the Israeli Accounting Standard Board, regarding "accounting principles and financial reporting by nonprofit organizations."

B. Historical Cost Convention

The financial statements were prepared on the basis of the historical cost convention and do not include the effect of changes in the general purchasing power of the Israeli currency on the results of the activities.

C. Cash and Cash Equivalents

The company considers all highly liquid investments, including short-term bank deposits (up to three months from date of deposit) that are not restricted as to withdrawal or use, to be cash equivalents.

D. Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. The depreciation was calculated by the straight-line method over the estimated useful lives of the assets, as follows:

Computers	33%
Electronic equipment	15%

E. Indexation to Foreign Currency

Balances in or indexed to foreign currency are recorded at the exchange rate on the balance sheet. The dollar exchange rates for the dates of the financial statement are as follows:

**Naboth's Vineyard LTD (CC)**  
**Notes to the Financial Statements**  
**(New Israeli Shekels)**

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

**As of December 31**

	<b>2017</b>	<b>2016</b>
US Dollar	3.4670	3.8450
Euro	4.1526	4.044

F. **Statement of Changes in Cash Flow**

The financial statements do not include a statement of cash flow, as such a statement would not add significant financial information to that already included in the financial statements.

**Note 3 - Cash and cash equivalents**

**As of December 31**

	<b>2017</b>	<b>2016</b>
Cash in the bank - Israeli currency	32,305	35,259
Cash in the bank - foreign currency	84,730	59,461
Cash on hand	7,641	15,331
	<b>124,676</b>	<b>110,051</b>



**Naboth's Vineyard LTD (CC)**  
**Notes to the Financial Statements**  
**(New Israeli Shekels)**

**Note 4 - Fixed Assets, Net**

	<u>Computers</u>	<u>Electronic equipment</u>	<u>Total</u>
<u>Cost</u>			
Balance as of January 1 2017	4,599	2,568	7,167
Additions during the year	-	72,990	72,990
Balance as of December 31 2017	<b>4,599</b>	<b>75,558</b>	<b>80,157</b>
<u>Accumulated Depreciation</u>			
Balance as of January 1 2017	3,774	738	4,512
Depreciation for the year	825	1,592	2,417
Balance as of December 31 2017	<b>4,599</b>	<b>2,330</b>	<b>6,929</b>
<b>Fixed Assets, Net as of December 31 2017</b>	<b>-</b>	<b>73,228</b>	<b>73,228</b>
<b>Fixed Assets, Net as of December 31 2016</b>	<b>825</b>	<b>1,830</b>	<b>2,655</b>

**Note 5 - Creditors and credit balances**

	<u>As of December 31</u>	
	<u>2017</u>	<u>2016</u>
Employees and related institutions	24,845	24,985
Expenses payable	7,020	7,020
	<b>31,865</b>	<b>32,005</b>

**Note 6 - Reserve for severance pay, Net**

The reserve for severance pay is calculated according to the last salary of the employees and their seniority. The obligations for terminating the employee-employer relationship stated in the balance sheet, together with the pension plan cover the company's obligations upon termination of the employee-employer relations as of the date of the balance sheet.

**Note 7 - Share Capital**

	<u>As of December 31 2015</u>	
	<u>Registered</u>	<u>Issued and Paid</u>
Regular shares at 1 NIS par value	<b>100</b>	<b>7</b>

**Naboth's Vineyard LTD (CC)**  
**Notes to the Financial Statements**  
**(New Israeli Shekels)**

**Note 8 - Activities turnover**

	<b>Year ended December 31</b>	
	<b>2017</b>	<b>2016</b>
Donations in Israel	188,340	242,165
Donations from abroad	146,851	57,828
Amounts released from restriction for activities	40,141	46,951
	<b>375,332</b>	<b>346,944</b>

**Note 9 - Cost of activities**

	<b>Year ended December 31</b>	
	<b>2017</b>	<b>2016</b>
Salaries, payments for lecturers and related expenses	139,470	88,257
Tours and transportation	54,801	19,181
Publication and dissemination of information	35,964	13,553
Petitions for freedom information	1,000	10,000
Activity in the field	-	158,549
	<b>231,235</b>	<b>289,540</b>

**Note 10 - General and administrative expenses**

	<b>Year ended December 31</b>	
	<b>2017</b>	<b>2016</b>
Professional fees	19,520	12,312
Salaries and related expenses	7,654	-
Maintenance	3,833	1,480
Depreciation	2,417	1,871
Office expenses	1,876	298
Fees	1,116	1,120
Communications	878	2,204
	<b>37,294</b>	<b>19,285</b>

**Naboth's Vineyard LTD (CC)**  
**Notes to the Financial Statements**  
**(New Israeli Shekels)**

**Note 11 - Net financial expenses**

	<b>Year ended December 31</b>	
	<b>2017</b>	<b>2016</b>
Exchange rate differentials	(595)	(92)
Bank fees	1,112	1,081
	<b>517</b>	<b>989</b>