

Naboth's Vineyard LTD (CC)

Financial Statements as of December 31 2016

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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 2016 and 2015, 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 2016 and 2015, 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, _____ 2017

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

	<u>Note</u>	<u>As of December 31</u>	
		<u>2016</u>	<u>2015</u>
<u>Current Assets</u>			
Cash and cash equivalents	3	110,051	72,037
<u>Fixed Assets, Net</u>			
	4	2,655	3,307
		<u>112,706</u>	<u>75,344</u>
<u>Current Liabilities</u>			
Creditors and credit balances	5	32,005	21,762
<u>Long Term Liabilities</u>			
Reserve for severance pay	6	1,547	4,748
<u>Net Assets</u>			
<u>Unrestricted Net Assets</u>			
Used for current activities		36,351	(1,431)
Used for fixed assets		2,655	3,307
		<u>39,006</u>	<u>1,876</u>
<u>Temporarily Restricted Net Assets</u>		40,141	46,951
<u>Share Capital</u>	7	<u>7</u>	<u>7</u>
		<u>79,154</u>	<u>48,834</u>
		<u>112,706</u>	<u>75,344</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)
Statement of Activities
(New Israeli Shekels)

	<u>Note</u>	Year ended December 31	
		<u>2016</u>	<u>2015</u>
Activities turnover	8	346,944	222,713
Cost of activities	9	<u>289,540</u>	<u>214,974</u>
Net income from activities		57,404	7,739
General and administrative expenses	10	<u>19,285</u>	<u>25,316</u>
Net income (expenses) before finance		38,119	(17,577)
Net financial income (expenses)	11	<u>989</u>	<u>(359)</u>
Net income (deficit) for the year		<u>37,130</u>	<u>(17,218)</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				
	Unrestricted		Temporarily Restricted	Share Capital	Total
	Used for Activities	Used for Fixed Assets			
Balance as of January 1 2015	14,067	5,027	62,962	7	82,063
<u>Changes during the year</u>					
Designated donations	-	-	46,951	-	46,951
Deficit for the year	(17,218)	-	-	-	(17,218)
Amounts released from restriction to activities	-	-	(62,962)	-	(62,962)
<u>Transfer of unrestricted amounts</u>					
To cover depreciation expenses	1,720	(1,720)	-	-	-
Balance as of December 31 2015	(1,431)	3,307	46,951	7	48,834
<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)	-	-	-
Balance as of December 31 2016	36,351	2,655	40,141	7	79,154

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 2017.

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	
	2016	2015
US Dollar	3.845	3.902
Euro	4.044	4.246

Note 3 - Cash and cash equivalents

	As of December 31	
	2016	2015
Cash in the bank - Israeli currency	35,259	72,037
Cash in the bank - foreign currency	59,461	-
Cash on hand	15,331	-
	110,051	72,037

Note 4 - Fixed Assets, Net

	Computers	Electronic equipment	Total
<u>Cost</u>			
Balance as of January 1 2016	4,599	1,349	5,948
Additions during the year	-	1,219	1,219
Balance as of December 31 2016	4,599	2,568	7,167
<u>Accumulated Depreciation</u>			
Balance as of January 1 2016	2,256	385	2,641
Depreciation for the year	1,518	353	1,871
Balance as of December 31 2016	3,774	738	4,512
Fixed Assets, Net as of December 31 2016	825	1,830	2,655
Fixed Assets, Net as of December 31 2015	2,343	964	3,307

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

Note 5 - Creditors and credit balances

	As of December 31	
	2016	2015
Employees and related institutions	24,985	14,742
Expenses payable	7,020	7,020
	32,005	21,762

Note 6 - Reserve for severance pay

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

	As of December 31 2015	
	Registered	Issued and Paid
Regular shares at 1 NIS par value	100	7

Note 8 - Activities turnover

	Year ended December 31	
	2016	2015
Donations in Israel	242,165	14,000
Donations from abroad	57,828	145,751
Amounts released from restriction for activities	46,951	62,962
	346,944	222,713

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

Note 9 - Cost of activities

	Year ended December 31	
	2016	2015
Activity in the field	158,549	-
Salaries, payments for lecturers and related expenses	88,257	141,016
Tours and transportation	19,181	13,673
Publication and dissemination of information	13,553	55,752
Petitions for freedom information	10,000	-
Mapping and photography	-	4,533
	289,540	214,974

Note 10 - General and administrative expenses

	Year ended December 31	
	2016	2015
Professional fees	12,312	15,111
Communications	2,204	1,847
Depreciation	1,871	1,720
Computers maintenance	1,480	790
Fees	1,120	4,506
Office expenses	298	1,342
	19,285	25,316

Note 11 - Net financial income (expenses)

	Year ended December 31	
	2016	2015
Exchange rate differentials	92	1,419
Bank fees	(1,081)	(1,060)
	(989)	359