

Table to Table - Leket Israel (Reg. NPO)

Financial Statements

as of December 31, 2018

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Financial Statements

as of December 31, 2018

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שטרק & שטרק STARK & STARK
רואי חשבון Certified Public Accountants (Isr.)
רח' היצירה 12, ק. אתגר, רעננה 12 Hayetsira St., Kiryat Etgarim, Raanana
ת.ד. 2600, רעננה 4366358 P.O. Box 2600, Raanana 4366358
טל. 09-7774000, פקס. 09-7774000 Tel. 09-7774000, Fax. 09-7774001
stark@starkcpa.com E-mail: stark@starkcpa.com
משה שטרק, ר"ח, מ.א. משפטים MOSHE STARK, C.P.A. (Isr.), M.A. (Law)
איריס שטרק, ר"ח, מ.א. כלכלה IRIS STARK, C.P.A. (Isr.), M.A. (Econ.)
ענת דואניס, ר"ח, ב.ב. חשבונאות EINAT DUENIAS, C.P.A. (Isr.), B.B.



Auditor's Report to the members of the Association **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, 2017 and 2018, and the statements of activities, statements of changes in net assets and 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 carried out our audit in accordance with accepted auditing standards in Israel, including those standards determined by the Regulations for Auditors (Operational Methods of Accountants) 5733 - 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 a sample check of proofs supporting the sums and information contained in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the executive committee and management of the Association, as well as evaluating the overall financial statement presentation. We are of the opinion that our audit provides a suitable basis for expressing our expert 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, 2017 and 2018, and the results of its operations, the changes in net assets and the reports on the cash flows for each of the years then ended, in accordance with the generally accepted accounting principles in Israel (Israeli GAAP).

Stark & Stark Accountants
רואי חשבון

August 5, 2019

Table to Table - Leket Israel (Reg. NPO)

Balance Sheets

as of December 31, 2018

		<u>as of December 31</u>	
	<u>Note</u>	<u>2018</u> <u>Thousand NIS</u>	<u>2017</u> <u>Thousand NIS</u>
<u>Current Assets</u>			
Cash and cash equivalents		14,167	12,579
Short-term deposits		946	1,442
Post-dated checks receivable		12	161
Accounts receivable and debit balance	3	2,122	958
Related parties	4		317
Investments in futures contracts	2g	-	1
		<u>17,247</u>	<u>15,458</u>
<u>Long-term deposits</u>		<u>637</u>	<u>415</u>
<u>Net fixed assets</u>	5	<u>7,676</u>	<u>8,370</u>
		<u>25,560</u>	<u>24,243</u>
<u>Current liabilities</u>			
Suppliers and post-dated checks payable		2,953	2,246
Investments in futures contracts	2g	31	-
Accounts payable and credit balances	6	2,265	2,115
Related parties	4	5	-
		<u>5,254</u>	<u>4,361</u>
<u>Net provision for severance pay</u>	7	<u>500</u>	<u>480</u>
<u>Unrestricted net Assets</u>			
For activities		11,571	10,428
Used as fixed assets		<u>7,676</u>	<u>8,370</u>
		<u>19,247</u>	<u>18,798</u>
<u>Temporarily restricted net assets</u>	8	<u>559</u>	<u>604</u>
		<u>25,560</u>	<u>24,243</u>

 שמואל לישם - עזרא חיים	 גדעון כרוך - מנכ"ל - גבעון כרוך	 חבר ועד - שטיבן פרוביזור	 חבר ועד - יונתן קולודני
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The accompanying notes are an integral part of these financial statements.

Table to Table - Leket Israel (Reg. NPO)
Statement of Activities
for year ended December 31, 2018

		For the year that ended December 31	
		<u>2018</u>	<u>2017</u>
	<u>Note</u>	<u>Thousand NIS</u>	<u>Thousand NIS</u>
<u>Income from activities</u>			
Donations and contributions	9	46,184	36,747
Food, products and services as cash equivalent	10	85,491	87,859
Volunteers as cash equivalent	11	-	4,558
Revenues released from restriction	8	<u>2,220</u>	<u>1,956</u>
		<u>133,895</u>	<u>131,120</u>
<u>Cost of activities</u>			
Salaries and related expenses		13,768	13,303
Cost of food, products and services as cash	10	85,491	87,859
Volunteers as cash equivalent	11	-	4,534
Direct operating expenses	12	<u>26,548</u>	<u>20,483</u>
		<u>125,807</u>	<u>126,179</u>
Net income from activities		8,088	4,941
General and administrative expenses	13	7,516	7,150
Net income (expenses) before financing		<u>572</u>	<u>(2,209)</u>
Net financing expenses		(196)	(319)
Net income (expenses) after financing expenses		376	(2,528)
Capital gain (loss)		<u>33</u>	<u>102</u>
Net income per year (deficit per year)		<u><u>409</u></u>	<u><u>(2,426)</u></u>

The accompanying notes are an integral part of these financial statements.

Table to Table - Leket Israel (Reg. NPO)

Statement of Changes in Net Assets

for year ended on December 31, 2018

	<u>Unrestricted Net Assets</u>			
	For Activities	For Fixed Assets	Temporarily Restricted Net Assets	Total
	<u>Thousand NIS</u>			
Balance as at January 1, 2017	12,563	5,622	3,516	21,701
<u>Additions (reductions) during the year:</u>				
Net surplus for the year	(2,426)	-	-	(2,426)
Donations	-	140	2,246	2,386
Sums released from restriction	-	-	(1,956)	(1,956)
Sums released from restriction and transferred to others	-	-	(303)	(303)
Sums released from restricted net assets used for fixed assets	-	2,899	(2,899)	-
Sums used for fixed assets	(870)	870	-	-
Net sums from the sale of fixed assets	22	(22)	-	-
Sums transferred to cover depreciation expenses	1,139	(1,139)	-	-
Balance as at December 31, 2017	10,428	8,370	604	19,402
<u>Additions (reductions) during the year:</u>				
Net income per year	409	-	-	409
Donations	-	40	2,175	2,215
Sums released from restriction	-	-	(2,220)	(2,220)
Sums used for fixed assets	(441)	441	-	-
Net sums from the sale of fixed assets	91	(91)	-	-
Sums transferred to cover depreciation expenses	1,084	(1,084)	-	-
Balance as of December 31, 2018	11,571	7,676	559	19,806

The accompanying notes are an integral part of these financial statements.

Table to Table - Leket Israel (Reg. NPO)

Statement of Cash Flows

for year ended December 31, 2018

For the year that ended December 31

	<u>2018</u>	<u>2017</u>
	<u>Thousand NIS</u>	<u>Thousand NIS</u>
<u>Cash flows from current activities</u>		
Net income per year (deficit per year)	409	(2,426)
Adjustments required to present cash flows from operating activities	<u>(953)</u>	<u>(601)</u>
Net cash used for operating activities	<u>(544)</u>	<u>(3,027)</u>
<u>Cash flows for investing activities</u>		
Purchase of fixed assets	(441)	(3,769)
Exchange from sale of fixed assets	124	124
Decrease (increase) in short-term deposits	496	(636)
Decrease (increase) in long-term deposits	<u>(222)</u>	<u>118</u>
Net cash used for investment activity	<u>(43)</u>	<u>(4,163)</u>
<u>Cash flows from financing activities</u>		
Receipts to net assets from external parties	<u>2,175</u>	<u>2,246</u>
Net cash provided by financing activities	2,175	2,246
Increase (decrease) in cash from activities this year	1,588	(4,944)
Cash balance at the beginning of year	<u>12,579</u>	<u>17,523</u>
Total cash balance at end of year	<u>14,167</u>	<u>12,579</u>

The accompanying notes are an integral part of these financial statements.

Table to Table - Leket Israel (Reg. NPO)

Statement of Cash Flows

For year ended December 31, 2018

Adjustments required to present cash flows from operating activities

For the year ended December 31

	<u>2018</u>	<u>2017</u>
	<u>Thousand NIS</u>	
<u>Income not related to cash flows</u>		
Depreciation	1,084	1,139
Increase (decrease) in reserve for severance pay	20	(45)
Capital gain on sale of fixed assets	(33)	(102)
Sums released from temporarily restricted net assets	<u>(2,220)</u>	<u>(2,259)</u>
	<u>-----</u> (1,149)	<u>-----</u> (1,267)
 <u>Changes in assets and liability</u>		
Decrease (increase) in investments in future contracts	32	(11)
Decrease (Increase) of check collection	149	(62)
Decrease (increase) in accounts receivable and debit balance	(1,164)	(15)
Decrease in balances of related parties	322	13
Increase in suppliers and post-dated checks payable	707	558
Increase in accounts payable and other debts	<u>150</u>	<u>183</u>
	<u>-----</u> 196	<u>-----</u> 666
	<u>=====</u> (953)	<u>=====</u> (601)

Activities not in cash – Annex B

In the report year, the Association received a donation of a vehicle valued NIS 40,000.
(Year 2017 – 140,000 NIS).

The accompanying notes are an integral part of these financial statements.

Table to Table – Leket Israel (Reg. NPO)

Notes to the Financial Statements as of December 31, 20188

Note 1 – General

- A. Table to Table - Leket Israel (Reg. NPO) (hereinafter: "The Association") is a non-profit institution. The Association was registered with the Registrar of Associations 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 (Reg. NPO)". The Association's registration number is 580407633.
- B. The Association's goals are:
1. To collect leftover food products, as well as cooked food from events, army bases, hotels and cafeterias, that under other circumstances would be thrown away, and to distribute the food to existing associations that assist the needy.
 2. To collect dry foods from businesses and distribute them to associations assisting the needy.
 3. To collect agricultural products from farmers and resellers for distribution to the needy.
 4. To assist civilian population and Israel Defense Force soldiers, according to their requirements during the said times. An emergency term for this purpose means: War, military operations, and any other period in which the civilian population is under any kind of threat by virtue of it being a civilian population.
 5. The collection, acquisition and distribution of food to the needy, to promote solutions for the problem of food shortages in Israeli society.
 6. To engage in any act of kindness, charity, and aid to those in need.
- C. The Association has been recognized as a public institution by the Israeli tax according to Section 9 (2) of the Income Tax Ordinance.
- D. The Association has approval under Section 46 of the Income Tax Ordinance until the end of 2020.
- E. The Association has a certificate of proper management from the NGO Registrar up to the end of 2019.
- F. Amendment to the Associations Law (Amendment No. 11), 2008
- During the fiscal year, the Association did not receive contributions for its operations from a foreign political entity.

Note 2 – Main Accounting Policies

- A. Reporting Principles
- The financial statements have been prepared in accordance with generally accepted accounting principles and in accordance with directive in Opinion No. 69 issued by the Institute of Certified Public Accountants in Israel, in regards to accounting and financial reporting principles for non-profit organizations and as prescribed under Accounting Standard No. 5 published by the Israeli 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
- (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.
- C. Use of estimates
- In preparing the financial statements according to 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. It is hereby clarified that actual results may differ from these estimates.

Table to Table - Leket Israel

Notes to the Financial Statements as of December 31, 2018

Note 2 – Main Accounting Policies (continued)

A. Cash and cash equivalents

The Association views highly liquid investments, including short-term bank deposits (up to 3 months), as cash equivalents with a maturity date within 3 months from the date of investment.

B. 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) The annual depreciation rates are as listed below:

	<u>%</u>
Vehicles	15-25
Furniture, equipment & computers	6-33
Improvements in Lease	7-10

C. 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 severance pay:

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

D. Futures contracts

The investment in futures 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 Profit/Loss Report in the period they occurred.

E. Recognition of income and expenses

Income is included on an accrual basis. Donations are recognized as income or as a supplement to net assets that were restricted only if actually received. Donations of non-monetary assets are presented according to the appropriate value when they are received. Expenses are included in the financial statements on an accrual basis.

F. Donations as cash equivalent

Since 2011, the Association has begun to manage 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 a cost basis. See Note 10.

G. Volunteers as cash equivalent

In 2017, income and expenses of cash value of volunteers were included in the financial statements in accordance with the assessment of the Association's management and according to the directive of Accounting Opinion No. 69, and Accounting Standard No. 5, published by the Israeli Accounting Standards Board. As of 2018, the Association decided not to include the volunteer value in the activity report. See also Note 11.

H. Related parties as defined in Opinion 29 by the Institute of Certified Public Accountants in Israel.

I. 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.

Table to Table - Leket Israel (Reg. NPO)

Notes to the Financial Statements as of December 31, 2018

Note 2 – Main Accounting Policies (continued)

Presented below are data on the exchange rate of the USA dollar and the Consumer Price Index:

<u>As at</u>	Index for December in points (*)	Dollar representative exchange rate in NIS
31. 12. 2018	3,748	101.2
31. 12. 2017	3,467	100.4
<u>Rate of change in year ended on</u>	%	%
31. 12. 2018	8.10	0.80
31. 12. 2017	(9.83)	0.40

(*) Index according to baseline: 2016.

Note 3 – Accounts Receivable and Debit Balance

	<u>As at December 31</u>	
	<u>2018</u>	<u>2017</u>
	<u>Thousand NIS</u>	
"Israel Toremet" Company	909	673
Advances to suppliers	90	15
Prepaid expenses	<u>(*) 1,123</u>	<u>270</u>
	<u>2,122</u>	<u>958</u>

(*) Includes NIS 965,000 in advance for leases of a new logistical center. See also Note 14.

Table to Table - Leket Israel (Reg. NPO)

Notes to Financial Statements as at December 31, 2018

Note 4 – Related party

A. Credit / (Debit) balances with related parties

	<u>As at December 31</u>	
	<u>2018</u>	<u>2017</u>
	<u>Thousand NIS</u>	<u>Thousand NIS</u>
"Nevet - Future Growth (2015), Ltd." (Public Benefit Corporation)	<u>5</u>	<u>(317)</u>

B. Businesses with related parties - "Nevet - Future Growth (2015), Ltd." (Public Benefit Corporation)

	<u>For a year that ended on December 31</u>	
	<u>2018</u>	<u>2017</u>
	<u>Thousand NIS</u>	<u>Thousand NIS</u>
Transfer of donations and contributions – the Sandwich Project (note 2)	(105)	(1,770)
Debt remission from related party (Note 3)	(500)	-
	(605)	(1,770)
Offsetting of expenses of the Sandwich Project (Note 2)	<u>405</u>	<u>457</u>

1. Nevet - Future Growth (2015), Ltd., a Public Benefit Corporation (hereinafter "Nevet"), was established in December 2015, with the purpose, among others, to provide breakfast to pupils in schools (hereinafter: the "Sandwich Project"). The Sandwich Project has been implemented by the Association for about a decade. During 2016, the Sandwich Project was gradually transferred from the Association to Nevet.
2. In June 2018, an agreement was signed, according to which the Association provides various services to Nevet such as: logistics, computing, leasing, accounting services and more. In exchange for these services, Nevet pays the Association on a cost basis. In addition, it is determined in the agreement that the income intended for that is still being received by Leket will be fully transferred to Nevet.
3. During the report, a decision was made by the Association's Managing Committee regarding the remission of Nevet's debt of NIS 500,000 that originated in the reciprocal accounting in previous years. This debt remission was registered as a donation in the infrastructures and supports section of the NGO's activity report.

Table to Table - Leket Israel (Reg. NPO)

Notes to the Financial Statements as of December 31, 2018

Note 5 – Net Fixed Assets

	<u>As at December 31</u>					
	<u>Leasehold Improvements</u>	<u>Land</u>	<u>2018 Vehicles Thousand NIS</u>	<u>Furniture, equipment and computers</u>	<u>Total</u>	<u>2017 Total Thousand NIS</u>
<u>Cost</u>						
Balance at beginning of year	2,022	3,521	4,289	4,236	14,068	10,755
Additions during the year (*)	269	-	100	112	481	3,909
Disposals during the year	-	-	(910)	-	(910)	(596)
Balance at end of year	<u>2,291</u>	<u>3,521</u>	<u>3,479</u>	<u>4,348</u>	<u>13,639</u>	<u>14,068</u>
<u>Accumulated depreciation</u>						
Balance at beginning of year	645	-	2,910	2,143	5,698	5,133
Year's depreciation	199	-	455	430	1,084	1,139
Depreciation of year's disposals	-	-	(819)	-	(819)	(574)
Balance at end of year	<u>844</u>	<u>-</u>	<u>2,546</u>	<u>2,573</u>	<u>5,963</u>	<u>5,698</u>
<u>Depreciated cost:</u>	<u>1,447</u>	<u>3,521</u>	<u>933</u>	<u>1,775</u>	<u>7,676</u>	<u>8,370</u>
<u>Annual depreciation rates</u>	<u>7%-10%</u>	<u>0%</u>	<u>15%-25%</u>	<u>6%-33%</u>		

(*) Is made up of improvements to the lease for the new logistical center. See also Note 14.

Note 6 – Accounts Payable and Credit Balance

	<u>As at December 31</u>	
	<u>2018</u>	<u>2017</u>
	<u>Thousand NIS</u>	<u>Thousand NIS</u>
Employees	947	823
Payroll institutions	599	563
Prepaid expenses	292	287
Provision for vacation	424	439
Others	<u>3</u>	<u>3</u>
	<u>2,265</u>	<u>2,115</u>

Table to Table - Leket Israel (Reg. NPO)

Notes to the Financial Statements as of December 31, 2018

Note 7 – Net Provision for Severance Pay

Reserves for severance pay cover the balance due to employees beyond the portion of the liabilities covered by managerial 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 insurance policies, as aforesaid.

Workers, who began working in the Association from October 2012, are signed on Article 14 of the Severance Pay Law.

Note 8 – Temporarily restricted net assets

Below are details of donations received/released in 2017 and 2018:

1. In the report year, a donation of NIS 920 thousand was received, earmarked for financing rent for the logistical center. This amount was released for operations during the report year.
2. During the 2017 and 2018, donations of NIS 255 thousand and NIS 1,080 thousand was received, respectively and earmarked for vehicle rentals to be used in the Association's activities. These amounts were released for the activity each year, respectively.
3. In 2018 and 2017, a donation was received in a total of NIS 1,000 thousands in each year for assistance to the elderly. In 2018 and 2017, the project's expenses (including salary expenses) totaled NIS 1,045 thousands, and NIS 863 thousands, respectively. These amounts were released for the activity each year, respectively.
4. During 2017, a donation of NIS 166 thousand was received, earmarked for the acquisitions of forklifts to be used in the Association's activities. The Association used this amount for the purchase of forklifts. This amount was released from restriction in 2017 and transferred to net assets used for fixed assets.
5. In 2016, a donation of NIS 6,199 thousand was received, earmarked for the purchase of agricultural land for the purpose of growing agricultural produce for distribution to the needy. In December 2016 the Association signed contracts for the purchase of two plots of land. The purchase of the land was completed in 2017 and a total of NIS 2,733 thousand was released from the restriction and transferred to "Net assets used for fixed assets."
6. In 2015, a donation of NIS 546 thousand was received, earmarked for use for expenses of the "Sandwich" Project in 2016-2017. A sum of NIS 303 thousand was released for activity for 2017.
7. In 2015, a donation of NIS 480 thousand was received, earmarked for establishing a visitors center. A sum of NIS 13 thousand was released for activity in 2017.

Table to Table - Leket Israel (Reg. NPO)

Notes to the Financial Statements as of December 31, 2018

Note 9 – Donations and participations

	<u>For the year that ended</u>	
	<u>2018</u>	<u>2017</u>
	<u>Thousand NIS</u>	<u>Thousand NIS</u>
Current donations	44,137	35,465
Jerusalem Eshel Project	1,960	772
Joint project – Ministry of Agriculture	78	422
Miscellaneous	<u>9</u>	<u>88</u>
	<u><u>46,184</u></u>	<u><u>36,747</u></u>

Table to Table - Leket Israel (Reg. NPO)

Notes to the Financial Statements as of December 31, 2018

Note 10 – Food, products and services as cash equivalent

A. Cooked food

During 2018, the Association received donations of cooked food having a monetary value of NIS 41,907 (2017 – NIS 33,730 thousand).

The main contributors are IDF bases, Intel, hotels and others.

The cost of the cooked food in the report was calculated according to the amount of meals donated multiplied by the cost of the meal. The cost of a meal is determined according to the data received from the various catering companies and the assessment made by the Association's management.

In 2018, the Association revaluated the cost of the meal, in accordance with the changes that occurred in the economy. The cost of the meal, according to the reevaluation, is NIS 19. (Year 2017 – the cost of a meal was evaluated by the Association at NIS 15).

In the report year, the market price of the meals is estimated at NIS 63,963 thousand based on the price of a meal for the consumer at NIS 29. (In 2017 – NIS 65,211 thousand per market value-based revaluation).

B. "Leket" Project

This is a project to collect agricultural products from farmers and distributors. The volunteers of the Association pack the agricultural produce and distributed to soup kitchens and non-profit organizations that provide food to the needy.

During 2018, the Association received donations of agricultural produce having a monetary value of NIS 43,584 (2017 – NIS 47,553 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.

Following the difficulty in collecting the data on retail prices, the Association has revaluated the market value of agricultural produce, including the data for 2017. According to the revaluation, the market value was determined by the price reflecting the average gross profit of vegetables and fruits at leading food chains.

According to the aforementioned, the market value of the agricultural produce received as a donation in the report year totaled NIS 56,659. In 2017, the market value of fruit and vegetables, according to the revaluation, stood at NIS 61,819 thousands.

C. Dry food and value of products and services

During 2017, the Association received donations of dry foods, such as dairy products, puddings, bread, etc., having a monetary value of NIS 3,426 thousand.

The main donors were Strauss, Tara, Shufersal and others. The food value was calculated based on the market price of the food in the donor's supermarket chains, at a 30% discount, after clarifications with the supermarket chains' managers. The market value of the food donated in 2017 was NIS 4,895 thousands.

During 2017, the Association received donations in the form of products and services from the following suppliers: Strauss, Yotvata, Tel Aviv Hilton Hotel, and others, totaling NIS 3,150 thousand.

From the end of the year 2017, the Association ceased collecting dry food and the aforementioned products.

Note 11 – Volunteers as cash equivalent

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

During 2017, the Association used 186,876 volunteer hours at a monetary value of NIS 4,558 thousand, provided by volunteers in projects and in management and administrative positions. The monetary value is calculated according to the minimum wage. This amount is included in the Association's statement of activities for 2017.

During 2018, the Association used 151,632 volunteer hours at a monetary value of NIS 4,076 thousand, at minimum wage. The Association chose not to include this amount in the activity report for 2018.

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

Notes for the Financial Statements as of December 31, 2018

Note 12 – Direct operating expenses

	<u>For the year that ended</u> <u>December 31</u>	
	<u>2018</u> <u>Thousand NIS</u>	<u>2017</u> <u>Thousand NIS</u>
"Leket" Project	9,615	6,586
Border Police, Holocaust Survivors and Southern Communities project	114	742
Nutrition workshops and research	444	353
Nahalal and Binyamina project	1,519	984
Joint project – Ministry of Agriculture	297	1,226
Infrastructure and support for associations	1,470	279
Gala events	278	-
Aid to the Elderly project	686	613
Rental fees, communications and maintenance	(*) 3,768	2,242
Advertising, printing and continuing education	1,771	1,359
Vehicle maintenance, including depreciation	6,387	5,899
Depreciation	<u>199</u>	<u>200</u>
	<u>26,548</u>	<u>20,483</u>

(*) Includes NIS 1,351 thousand in advance for leases of a new logistical center. See also Note 14.

Table to Table - Leket Israel (Reg. NPO)

Notes to the Financial Statements as of December 31, 2018

Note 13 – General and Administrative Expenses

	<u>For the year that ended</u>	
	<u>December 31</u>	
	<u>2018</u>	<u>2017</u>
	<u>Thousand NIS</u>	<u>Thousand NIS</u>
Salaries and related expenses	4,248	4,241
Volunteer expenses (*)	-	24
Rental fees and maintenance	503	453
Communications and office expenses	428	313
Professional services	659	667
Travel abroad for fundraising purposes	306	305
Vehicle maintenance	149	152
Banking expenses	61	50
Advertising and public relations	256	278
Fundraising	476	240
Depreciation	<u>430</u>	<u>427</u>
	<u><u>7,516</u></u>	<u><u>7,150</u></u>

(*) See also Note 11.

Table to Table - Leket Israel (Reg. NPO)

Notes to the Financial Statements as of December 31, 20188

Note 14 – Events occurring after the balance sheet date

In January 2018, a lease agreement was signed between the Association and the Migdalit Company, Ltd. (hereinafter "the Landlord") for leasing the logistical center in Pardes Gan Haim (hereinafter "Leased"). When the lease was signed, two basic conditions were defined: One was the precondition in which the contract would have no validity, but after the Renter would present a confirmation of the cancellation of the receivership process or authorization from the court of a creditors arrangement. This condition has been met. The second condition was a "terminating condition," which is our case was to end the lease if a permit to manage the Association's business in the leased property was not received.

In January 2019, after exhausting all the possibilities and processes for obtaining a business permit from the local authority, the Association informed the landlord of the fulfillment of the terminating conditions of the contract, and therefore, the cancellation of the agreement between the parties.

On April 18, 2019, a request was made to the District Court by the Landlord to order that the cancellation notice sent by the Association on the termination of the lease agreement signed between the parties as invalid.

On May 28, the Association submitted to the court a request and demands the restoration of the funds that had already been paid by the Association as per the agreement, including expenses for the improvements in the lease.

On July 16, 2019, a hearing was held on the two requests, and it was determined that a licensed architect would be appointed by the court to work toward obtaining a business permit for the Association's activities. In addition, a follow-up hearing was scheduled to follow the progress of the procedure for September 25, 2019. Until then, the Association would deposit every month, in an escrow account, the rental money stipulated in the agreement.

Under the circumstances, and taking notice the mutual claims between the parties, the Association's legal advisors cannot evaluate at this early stage the risks and prospects in all matters relating to the claims by the parties. Therefore, the provision of an additional accounting was not implemented beyond the actual expenses during the report year.

Note 15 – Guarantees

The Association furnished bank guarantees totaling NIS 715 thousand for the rental of a building, rental of trucks, and rental of plastic containers, and a performance guarantee for the joint project with the Ministry of Agriculture (2017 – NIS 715 thousand for the rental of a building, rental of trucks, and performance guarantee for the joint project with the Ministry of Agriculture).