

NEVET, FUTURE GROWTH 2015 LTD. (PBC)

FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2021

NEVET, FUTURE GROWTH 2015 LTD. (PBC)
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[identical bilingual text]



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THE AUDITOR'S REPORT TO THE SHAREHOLDERS
OF
NEVET, FUTURE GROWTH 2015 LTD (PBC)

We audited the attached statement of the financial position of Nevet, Future Growth 2015 Ltd. (Public Benefit Company) (hereinafter: the **Company**) as of December 31, 2021 and December 31, 2020 and the statement of the operations and the statement of the changes in net assets, for the year ended on that date. These financial statements are the responsibility of the Company's Board of Directors and Management. Our responsibility is to state an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, including standards set forth in the Accountants (Manner of Operation of an Accountant) Regulations, 5733-1973. According to these standards, we are required to plan the audit and perform it in order to obtain a reasonable degree of assurance that the financial statements do not contain material misrepresentations. An audit includes a sample examination of evidence supporting the amounts and information in the financial statements. An audit also includes an assessment of the accounting policies implemented and the significant accounting estimates made by the Company's Board of Directors and Management, as well as an evaluation of the appropriateness of the overall presentation of the financial statements. We believe that our review provides an adequate basis for our opinion.

In our opinion, the above financial statements adequately reflect, in all material respects, the Company's financial position as of December 31, 2021 and December 31, 2020 and the results of its operations and changes in net assets for the year ended on those dates, in accordance with Israeli Generally Accepted Accounting Policies (GAAP).

June 21, 2022

Stark & Stark
Certified Public Accountants
[signature]

[identical bilingual text]

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NEVET, FUTURE GROWTH 2015 LTD. (PBC)
STATEMENT OF THE FINANCIAL POSITION
AS OF DECEMBER 31, 2021

	As of December 31	
	2021	2020
Note	ILS	ILS
<u>Fixed assets</u>		
Cash and cash equivalents	3,246,105	3,139,872
short-term deposits	23,189	9,126
Receivables and debit balances	3 231,855	78,987
	3,501,149	3,227,985
<u>Noncurrent assets</u>		
Fixed assets, net	4 163,832	171,127
	3,664,981	3,399,112
<u>Current liabilities</u>		
Vendors and service providers	224,875	167,526
Payables and credit balances	5 483,428	735,180
	708,303	902,706
<u>Share capital</u>		
	6 7	7
<u>Unrestricted net assets</u>		
For use in operations	1,592,839	665,272
Designated by the PBC's institutions	7 1,200,000	1,660,000
Invested in fixed assets	163,832	171,127
	2,956,671	2,496,399
	3,664,981	3,399,112

[signature]
Yosef Mandelbaum – Chairman of the Board

[signature]
Shelly Zichlinsky – Director

The attached notes are an integral part of the financial statements

NEVET, FUTURE GROWTH 2015 LTD. (PBC)
STATEMENT OF OPERATIONS
AS OF DECEMBER 31, 2021

		As of December 31	
		2021	2020
Note		ILS	
<u>Operations' turnover</u>			
Donations and participations	8	3,904,022	3,205,618
Money-equivalent goods and services	9	1,808,314	1,301,002
		5,712,336	4,506,620
Cost of operations	10	(4,543,064)	(*) (3,601,502)
Net revenues from operations		1,169,272	905,118
Administrative and general expenses	11	(658,551)	(*) (524,980)
Public relations and fundraising expenses		(141,405)	(107,278)
Other revenues	12	70,768	150,297
Net revenues before financing		440,084	423,157
Financing income, net		20,188	18,920
Net revenues in the year		460,272	442,077

(*) Reclassified

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

NEVET, FUTURE GROWTH 2015 LTD. (PBC)
STATEMENT OF CHANGES IN NET ASSETS
AS OF DECEMBER 31, 2021

	Unrestricted			Total
	Net assets used for operations	Designated by the PBC's institutions	Net assets invested in fixed assets	
	Israeli Shekels			
Balances as of January 1, 2020	1,180,877	873,445	–	2,054,322
<u>Additions during the year</u>				
Net income in the year	442,077	–	–	442,077
Amounts designated by the PBC's executive institutions	(786,555)	786,555	–	–
Amounts invested in fixed assets	(182,479)	–	182,479	–
Amounts transferred to cover depreciation expenses	11,352	–	(11,352)	–
Balance as of December 31, 2020	665,272	1,660,000	171,127	2,496,399
<u>Additions (deductions) in the year:</u>				
Net income per year	460,272	–	–	460,272
Amounts designated by the PBC's executive institutions	(900,000)	900,000	–	–
Amounts designated by the PBC's executive institutions and their designation was cancelled	1,244,686	(1,244,686)	–	–
Amounts designated in previous periods by the Company's executive institutions and used for their purpose	115,314	(115,314)	–	–
Amounts invested in fixed assets	(17,423)	–	17,423	–
Amounts transferred to cover depreciation expenses	24,718	–	(24,718)	–
Balance as of December 31, 2021	1,592,839	1,200,000	163,832	2,956,671

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

NEVET, FUTURE GROWTH 2015 LTD. (PBC)
NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2021

Note 1 – General

1. Nevet, Future Growth 2015 (PBC) (hereinafter: the "**Company**" or "**PBC**") is a non-profit company for the benefit of the public. The Company's registration number is 515354793.
2. The purposes of the Company are to:
 - a. provide breakfasts to students in schools.
 - b. act for the benefit of the community.
 - c. assist the civilian population and IDF soldiers in times of emergency.
 - d. engage in any act of kindness, charity and help to the needy.
3. The company is registered with the value added tax authorities as a non-profit institution.
4. The company has a proper administration certificate in effect through December 31, 2022.
5. The Company has a donation certificate under Section 46 of the Income Tax Ordinance, in effect through December 31, 2024.

Note 2 – Principles of Accounting Policy

A. Reporting rules

The financial statements are prepared in accordance with generally accepted accounting principles and as set forth in the updated (November 2021) Accounting Standard No. 40, published by the Israel Accounting Standards Board, consolidating the accounting rules and financial reporting applying to non-profit institutions.

B. Financial statements in reported amounts

The financial statements are prepared in reported amounts in accordance with the provisions of Standard 12 of the Israel Accounting Standards Board regarding the discontinuation of adjustments of financial statements. For tax purposes, the nominal data correspond to the reported data as the company began its operations after Standard 12 was implemented.

C. Cash and cash equivalents

Cash and cash equivalents include short-term deposits in banks and marketable government loans, whose maturity period, when invested is made in them, did not exceed three months.

D. Fixed assets

Fixed assets are shown by cost. Depreciation on the cost of the assets is calculated according to the straight line depreciation method, at rates that are considered sufficient to amortize the assets during the estimated period of their use.

E. Recognition of revenues and expenses

Revenue is included on the basis of accruals. Donations are recognized as income or as an addition to net assets that have been restricted according to Accounting Standard No. 40. Donations of non-monetary assets are presented at fair value at the time of their receipt. Expenses are included in the financial statements on the basis of accruals.

F. Use of estimates

In preparing the financial statements in accordance with GAAP, the Company's management is required to use estimates and assessments that affect the reported data of the assets and liabilities given value in the financial statements, and of revenues and expenses data in the reporting periods. The actual results may differ from these estimates.

G. Employee benefits

The Company's employees have signed Section 14 of the Severance Pay Act from the beginning of their employment.

NEVET, FUTURE GROWTH 2015 LTD. (PBC)
NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2021

Note 2 – Principles of Accounting Policy (continued)

H. Amendment to the Associations Act (Amendment No. 11), 5768-2008

Pursuant to Amendment No. 11 of the Associations Act, 5768-2008, the Company did not receive donations from a foreign political entity for the purposes of its activities during the financial year.

I. Assets and services received without consideration

Volunteers' value revenues and expenses were included in the financial statements in accordance with the assessment of the Company's management and in accordance with the provisions of Accounting Standard No. 40, published by the Israel Accounting Standards Board. See also Note 9.

J. Statement of Operations

In presenting the Statement of Operations, no classification was made per the substance of the expenses, as this would have not added any significant information beyond its presentation per the nature of the activity.

K. Statement of Cash Flow

The statement of cash flow is not included in the financial statements as it does not add significant information to the information contained in the financial statements.

Note 3 – Receivables and Debit balances

	As of December 31	
	2021	2020
	ILS	
"Israel Donates" Company	86,834	44,920
Receivables	144,721	–
From Table to Table – Leket Israel Association	–	4,517
Others	300	29,550
	231,855	78,987
Net revenues from operations		

NEVET, FUTURE GROWTH 2015 LTD. (PBC)
NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2021

Note 4 – Fixed Assets, Net

	As of December 31			
	2021			2020
	Leasehold improve- ments	Furniture, equipment, and computers	Total	Total
	Israeli Shekels			
<u>Cost</u>				
Balance at beginning of year	151,957	30,522	182,479	–
Purchases during the year	–	17,423	17,423	182,479
Balance at end of year	151,957	47,945	199,902	182,479
<u>Accrued depreciation</u>				
Balance at beginning of year	9,782	1,570	11,352	–
Depreciation for the year	15,195	9,523	24,718	11,352
Balance at end of year	24,977	11,093	36,070	11,352
<u>Amortized cost</u>	126,980	36,852	163,832	171,127
	10%	10%-33%		

Note 5 – Payables and Credit Balances

	As of December 31	
	2021	2020
	ILS	
Prepared revenues	312,607	581,614
Employees and institutions in respect of wages	88,572	73,305
Payable expenses	18,000	26,297
Provision for leave	43,000	40,000
Others	21,249	8,964
Net revenues from operations	482,428	8,964

Note 6 – Share Capital

	Registered capital	Issued and paid-up
Ordinary shares ILS 1 p.v. each	100	7

NEVET, FUTURE GROWTH 2015 LTD. (PBC)
NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2021

Note 7 – Amounts Designated by the PBC’s institutions

The company's management resolved to update the designation of the funds from previous years in the amount of about ILS 1,200 thousand following a change in the funds use planning for the coming years. At the same time, as of the date of the financial statements, the Company's management has resolved to designate funds as follows:

1. The amount of ILS 900 thousand to be used by the end of 2025 for:
 - a. Technology infrastructure development project.
 - b. A field project for the supervision and monitoring of the schools participating in the project.
2. The amount of ILS 300 thousand to be used by the end of 2023 for public relations activities and increased awareness of the organization's activities.

Note 8 – Donations and Participations

	For the year ended December 31	
	2021	2020
	ILS	
Donations	312,607	581,614
Participation by educational institutions and local councils	88,572	73,305
	482,428	8,964

Note 9 – Money-equivalent Goods and Services

	For the year ended December 31	
	2021	2020
	ILS	
Volunteers value (Note A)	1,750,461	1,270,622
Goods value	57,853	30,380
	1,808,314	1,301,002

A. Volunteer value

The company is assisted by volunteers who work without compensation for the Company's purposes.

In 2021, the Company made use 60,112 volunteer hours with a monetary value of ILS 1,750 thousand (in 2020, 43,634 volunteer hours were rendered with a monetary value of ILS 1,271 thousand). This amount is included in the Statement of Operations of the Company as revenues and expenses. The monetary value is calculated at the minimum wage.

NEVET, FUTURE GROWTH 2015 LTD. (PBC)
NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2021

Note 10 – Cost of Operations

		For the year ended December 31	
		2021	2020
		ILS	
	<u>Note</u>		
Goods for sandwiches		1,579,217	1,329,273
Value of goods and volunteers	9	1,808,314	1,301,002
Transport		164,202	149,006
Wages and ancillary		583,518	528,819
Rent, operations and logistics		218,262	180,533
Depreciation		24,718	11,352
Advertising and printing		164,833	101,517
		<u>4,543,064</u>	<u>3,601,502</u>

Note 11 – Administrative and General Expenses

		For the year ended December 31	
		2021	2020
		ILS	
Wages and ancillary		428,516	319,923
Rent, maintenance and office		87,048	63,287
Vehicle maintenance		54,229	44,992
Professional services		86,526	94,453
Official fees		1,133	1,137
Bank		1,099	1,188
		<u>658,551</u>	<u>524,980</u>

NEVET, FUTURE GROWTH 2015 LTD. (PBC)
NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2021

Note 12 – Signature Events in the Report Period

Effect of the COVID-19 Epidemic on the Company's Operations

2020

Following the COVID-19 virus outbreak in Israel and worldwide in March 2020, and due to the closures of the education system, the Company's main activity (distributing sandwiches to school students) was reduced. Consequently, there was a decline in revenue from participations, expenses for the purchase of raw materials and the number of volunteers. The education system has transitioned to remote learning, which led the Company to initiate an alternative project to feed students while they were at home by distributing sealed food packages for three weeks. The packages were collected by the students from the school and were consumed for their breakfast at their homes. Also, and due to the effect of COVID-19 on the financial position of the students' families, the Company assisted in purchasing food baskets for the students' families during the holidays.

During 2020, the Company recorded revenues for from corona grants following the economic effects of the COVID-19 epidemic in the amount of ILS 150 thousand. The grant was received due to a decrease in the Company's revenues compared to 2019.

2021

In May 2021, the economy returned to full activity and the Company subsequently resumed all its operations. As the Company's activity was limited until May 2021, the Company's revenues were lower than expected.

The company continued to help purchase food baskets for the students' families.

The Company received a corona grant of ILS 70,768. In addition, the Company received an employee retention grant of ILS 7,500, which was recorded in the item of wages and ancillary expenses.

As of the date of signing the financial statements, the Company is unable to assess the impact of the COVID-19 crisis on the Company's future operations.