

NEVET, FUTURE GROWTH 2015 LTD. (PBC)

FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2022

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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, 2022 and December 31, 2021 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, 2022 and December 31, 2021 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 25, 2023

Stark & Stark
Certified Public Accountants

NEVET, FUTURE GROWTH 2015 LTD. (PBC)

STATEMENT OF THE FINANCIAL POSITION

AS OF DECEMBER 31, 2022

		<u>As of December 31</u>	
		<u>2022</u>	<u>2021</u>
	<u>Note</u>	<u>ILS</u>	
<u>Fixed assets</u>			
Cash and cash equivalents		2,853,522	3,246,105
Short-term deposits		1,532,138	23,189
Receivables and debit balances	3	<u>1,103,064</u>	<u>231,855</u>
		<u>5,488,724</u>	<u>3,501,149</u>
<u>Noncurrent assets</u>			
Fixed assets, net	4	<u>209,961</u>	<u>163,832</u>
		<u>5,698,685</u>	<u>3,664,981</u>
<u>Current liabilities</u>			
Vendors and service providers		224,663	224,875
Payables and credit balances	5	<u>984,326</u>	<u>483,428</u>
		<u>1,208,989</u>	<u>708,303</u>
<u>Share capital</u>	6	<u>7</u>	<u>7</u>
<u>Unrestricted net assets</u>			
For use in operations		3,337,728	1,592,839
Designated by the PBC's institutions	7	942,000	1,200,000
Invested in fixed assets		<u>209,961</u>	<u>163,832</u>
		<u>4,489,689</u>	<u>2,956,671</u>
		<u>5,698,685</u>	<u>3,664,981</u>

Yosef Mandelbaum
Chairman of the Board

Yael Elad
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, 2022

		For the Year ended	
		December 31	
		2022	2021
	Note	ILS	
<u>Operations' turnover</u>			
Donations and participations	8	5,657,690	3,904,022
Money-equivalent goods and services	9	2,424,444	1,808,314
Ministry of Welfare support		1,002,000	-
		<u>9,084,134</u>	<u>5,712,336</u>
Cost of operations	10	<u>(6,411,020)</u>	<u>(4,543,064)</u>
Net revenues from operations		2,673,114	1,169,272
Administrative and general expenses	11	(773,026)	(658,551)
Public relations and fundraising expenses		(399,151)	(141,405)
Other revenues		-	70,768
Net revenues before financing		<u>1,500,937</u>	<u>440,084</u>
Financing income, net		32,081	20,188
Net revenue in the year		<u><u>1,533,018</u></u>	<u><u>460,272</u></u>

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

NEVET, FUTURE GROWTH 2015 LTD. (PBC)

STATEMENT OF CHAGES IN NET ASSETS

AS OF DECEMBER 31, 2022

	<u>Unrestricted</u>			
	<u>Net assets used for operations</u>	<u>Designated by the PBC's institutions</u>	<u>Net assets invested in fixed assets</u>	<u>Total</u>
	<u>ILS</u>			
Balance as of January 1, 2021	665,272	1,660,000	171,127	2,496,399
<u>Additions (deductions) in the year:</u>				
Net income in the 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, 2022	<u>1,592,839</u>	<u>1,200,000</u>	<u>163,832</u>	<u>2,956,671</u>
<u>Additions (disposals) during the year:</u>				
Net income for the year	1,533,018	-	-	1,533,018
Amounts designated in previous periods by the Company's executive institutions and used for their purpose	258,000	(258,000)	-	-
Amounts invested in fixed assets	(79,204)	-	79,204	-
Amounts transferred for covering depreciation expenses	33,075	-	(33,075)	-
Balance as of December 31, 2022	<u>3,337,728</u>	<u>942,000</u>	<u>209,961</u>	<u>4,489,689</u>

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, 2022

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, 2023.
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, 2022

Note 2 – Principles of Accounting Policy (continued)

A. 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.

B. 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.

C. 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.

D. 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

	<u>As of December 31</u>	
	<u>2022</u>	<u>2021</u>
	<u>ILS</u>	
"Israel Donates" Company	52,860	86,834
Receivables	1,002,000	144,721
Others	48,204	300
	<u>1,103,064</u>	<u>231,855</u>

NEVET, FUTURE GROWTH 2015 LTD. (PBC)

NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2022

Note 4 – Fixed Assets, Net

	As of December 31			
	2022		2021	
	Leasehold Improvements	Furniture, Equipment and Computers	Total	Total
	ILS			
<u>Cost</u>				
Balance at beginning of year	151,957	47,945	199,902	182,479
Purchases during the Year	-	79,204	79,204	17,423
Balance at end of year	151,957	127,149	279,106	199,902
<u>Accrued depreciation</u>				
Balance at beginning of year	24,977	11,093	36,070	11,352
Depreciation for the year	15,195	17,880	33,075	24,718
Balance at the end of the year	40,172	28,973	69,145	36,070
<u>Amortized cost</u>	111,785	98,176	209,961	163,832
	10%	10%-33%		

Note 5 - Payables and Credit Balances

	As of December 31	
	2022	2021
	ILS	
Prepared revenues	743,672	312,607
Employees and institutions in respect of wages	137,702	88,572
Payable expenses	25,611	18,000
Provision for leave	46,000	43,000
Others	31,341	21,249
	984,326	483,428

Note 6 - Share Capital

Composition as of December 31, 2022 and 2021:

	Registered capital	Issued and Paid-up
	Number of Shares	
Ordinary shares of ILS 1 p.v. each	100	7

NEVET, FUTURE GROWTH 2015 LTD. (PBC)

NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2022

Note 7 - Amounts Designated by the PBC's institutions

The Company's management decided not to designate further funds in the statement year, below is the balance designated for December 31, 2022:

1. A total of ILS 822 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 120 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	
	2022	2021
	ILS	
Israeli and foreign donations	2,986,998	2,234,549
Participation by educational institutions and local councils	2,670,692	1,669,473
	<u>5,657,690</u>	<u>3,904,022</u>

Note 9 - Money-equivalent Goods and Services

	For the Year ended December 31	
	2022	2021
	ILS	
Volunteers value (Note A)	2,424,444	1,750,461
Goods value (Note b.)	-	57,853
	<u>2,424,444</u>	<u>1,808,314</u>

A. Volunteers value

The company is assisted by volunteers who work without compensation for the Company's purposes. In 2022, the Company made use 83,257 volunteer hours with a monetary value of ILS 2,424 thousand (in 2021, 60,112 volunteer hours were rendered with a monetary value of ILS 1,750 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, 2022

Note 10 - Cost of Operations

		For the Year ended December 31	
		2022	2021
		ILS	
	Note	2022	2021
Goods for sandwiches		2,523,363	1,579,217
Value of goods and volunteers	9	2,424,444	1,808,314
Transport		223,447	164,202
Wages and ancillary		776,062	583,518
Rent, operations and logistics		199,654	218,262
Depreciation		33,075	24,718
Advertising and printing		230,975	164,833
		6,411,020	4,543,064

Note 11 – Administrative and General Expenses

		For the Year ended December 31	
		2022	2021
		ILS	
Wages and ancillary		476,221	428,516
Rent, maintenance and office		141,841	87,048
Vehicle maintenance		65,717	54,229
Professional services		86,425	86,526
Official fees		1,162	1,133
Bank		1,660	1,099
		773,026	658,551

Nevet, Future Growth 2015 Ltd. (PBC)

**Income and Expenses Statement Adjusted for Income Tax Purposes
for the 2022 Fiscal Year**

	<u>For the 2022 Fiscal Year</u>
	<u>ILS</u>
<u>The net income according to the Statement of Operations exempted according to Section 9(2)</u>	<u>1,533,018</u>
<u>Excessive expenses</u>	
Employee welfare and refreshments	<u>2,261</u>

Yosef Mandelbaum
Chairman of the Board

Yael Elad
Director

Certified Public Accountants Opinion

We have examined the above-mentioned compliance statement of Nevet, Future Growth 2015 Ltd. (PBC) for the fiscal year 2022 (to which our stamped forms are attached for identification), which adjusts the net income for the year ended on December 31, 2022, with the income amount that was declared by it for income tax purposes, for the said fiscal year.

We have analyzed the itemized expenses laid out in the regulations concerning "conditions for the deduction of certain expenses", performed the necessary calculations stipulated by Section 3(10) of the Income Tax Ordinance, and confirmed compliance with the criteria outlined in section 32A of the Ordinance. This was conducted within the boundaries set by the agreement between the Israeli Income Tax Commissioner and the Institute of Certified Public Accountants in Israel.

From our perspective, assuming the points raised in the previous paragraph are fulfilled, the aforementioned adjustment has been prepared in compliance with the provisions set forth by the Income Tax Ordinance.

June 25, 2023

Stark & Stark
Certified Public Accountants