

Table to Table - Leket Israel (Reg. NPO)

Financial Statements

December 31, 2022

Table to Table – Leket Israel (Reg. NPO)

Financial Statements

December 31, 2022

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Auditor's report to association members of

Table to Table – Leket Israel (Reg. NPO)

We have audited the statements of financial position of Table to Table - Leket Israel (Reg. NPO) ("the Association") as of December 31, 2022 and 2021 and the statements of operations, changes in net income, and cash flows for the years then ended. These financial statements are the responsibility of the Association's board of directors and management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Israel, including standards prescribed by the Auditors Regulations (Manner of Auditor's 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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles applied and significant estimates made by the Association's board of directors and management, as well as evaluating the overall financial statement presentation. We believe that our audit provides 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 Association as of December 31, 2022 and 2021, and the results of its activities, changes in net assets, and statements of cash flows for each of the years then ended, in conformity with generally accepted accounting principles in Israel (Israeli GAAP).

July 19, 2023

Stark & Stark
Certified Public Accountants

Table to Table – Leket Israel (Reg. NPO)

Statement of Financial Position

December 31, 2022

		<u>December 31</u>	
		<u>2022</u>	<u>2021</u>
	<u>Note</u>	<u>NIS thousands</u>	<u>NIS thousands</u>
<u>Current assets</u>			
Cash and cash equivalents	3	20,058	31,257
Short-term deposits		4,185	7,347
Other receivables	4	12,150	4,097
		<u>36,393</u>	<u>42,701</u>
<u>Non-current assets</u>			
Long-term deposits		1,453	1,143
Fixed assets, net	5	12,176	11,578
		<u>13,629</u>	<u>12,721</u>
		<u>50,022</u>	<u>55,422</u>
<u>Current liabilities</u>			
Trade payables and checks payable		5,473	4,065
Other payables	6	3,449	4,187
Current maturities of a long-term loan	7	598	602
		<u>9,520</u>	<u>8,854</u>
<u>Non-current liabilities</u>			
Long-term loan	7	1,218	1,803
Liabilities for severance benefits, net	8	436	279
		<u>1,654</u>	<u>2,082</u>
<u>Net assets</u>			
<u>Unrestricted net assets</u>			
For activities		7,370	7,235
Earmarked by the Association		18,000	25,000
Invested in fixed assets		12,176	11,578
		<u>37,546</u>	<u>43,813</u>
<u>Restricted net assets</u>	9	1,302	673
		<u>38,848</u>	<u>44,486</u>
		<u>50,022</u>	<u>55,422</u>

Gideon Kroch
CEO

Ezra Haim
CFO

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

Table to Table - Leket Israel (Reg. NPO)

Statement of activities

Year ended December 31, 2022

	Note	Year ended December 31	
		2022	2021
		NIS thousands	NIS thousands
<u>Income from activities</u>			
Agricultural produce and cooked food as cash equivalent	10	121,668	102,682 (*)
Donations		71,944	82,879
Participations and others		5,129	3,197
Revenues released from restriction		4,864	2,155
Value of volunteers, services and products	11	2,236	1,004 (*)
		<u>205,841</u>	<u>191,917</u>
<u>Cost of activities</u>			
Agricultural produce and cooked food as cash equivalent	10	(121,668)	(102,682)
Direct operating expenses	12	(58,893)	(47,912)
Salary and related expenses		(16,735)	(13,334)
Value of volunteers, services and products	11	(2,236)	(1,004)
		<u>(199,532)</u>	<u>(164,932)</u>
Net income from activities		6,309	26,985
General and administrative expenses	13	(11,355)	(9,463)
Fundraising expenses		(1,257)	(681)
Net income (expenses) before financing		<u>(6,303)</u>	<u>16,841</u>
Financing income (expenses), net		39	(221)
Net income (expenses) after financing expenses		<u>(6,264)</u>	<u>16,620</u>
Other income (expenses)		(3)	13
Net income (deficit) for the year		<u>(6,267)</u>	<u>16,633</u>

(*) Reclassified

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

Table to Table - Leket Israel (Reg. NPO)

Statement of changes in net assets

Year ended December 31, 2022

	Unrestricted			Restricted	Total
	Net assets used for activities	Earmarked by Association institutions	Net assets invested in fixed assets		
	NIS thousands				
Balance as at January 1, 2021	2,147	15,000	10,033	-	27,180
<u>Additions (reductions) in the year:</u>					
Net income for the year	16,633	-	-	-	16,633
Donations	-	-	-	2,828	2,828
Earmarked by the Association's administrative institutions	(25,000)	25,000	-	-	-
Amounts released from restriction	-	-	-	(2,155)	(2,155)
Earmarked in prior periods by the administrative institutions of the Association and used for their purpose	15,000	(15,000)	-	-	-
Amounts invested in fixed assets	(2,901)	-	2,901	-	-
Amounts transferred to cover depreciation expenses	1,356	-	(1,356)	-	-
Balance as at December 31, 2021	<u>7,235</u>	<u>25,000</u>	<u>11,578</u>	<u>673</u>	<u>44,486</u>
<u>Additions (reductions) in the year:</u>					
Deficit for the year	(6,267)	-	-	-	(6,267)
Donations	-	-	-	5,493	5,493
Earmarked by administrative institutions of the Association (*)	(18,000)	18,000	-	-	-
Amounts released from restriction	-	-	-	(4,864)	(4,864)
Earmarked in prior periods by the Association's administrative institutions and used for their purpose	25,000	(25,000)	-	-	-
Amounts invested in fixed assets	(2,048)	-	2,048	-	-
Amounts from disposal of fixed assets	7	-	(7)	-	-
Amounts transferred to cover depreciation expenses	1,443	-	(1,443)	-	-
Balance as at December 31, 2022	<u><u>7,370</u></u>	<u><u>18,000</u></u>	<u><u>12,176</u></u>	<u><u>1,302</u></u>	<u><u>38,848</u></u>

(*) For Leket's agricultural activities in 2023.

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

Table to Table - Leket Israel (Reg. NPO)

Statement of cash flows

Year ended December 31, 2022

	Year ended December 31	
	2022	2021
	<u>NIS thousands</u>	<u>NIS thousands</u>
<u>Cash flows from (for) operating activities</u>		
Net income (deficit) for the year	(6,267)	16,633
Proceeds to net assets from outside entities	5,493	2,828
Adjustments required to present cash flows from operating activities	(10,644)	6,166
Net cash from (used for) operating activities	<u>(11,418)</u>	<u>25,627</u>
<u>Cash flows from investment activities</u>		
Acquisition of fixed assets	(2,048)	(2,901)
Proceeds from the sale of fixed assets	4	13
Decrease in short-term deposit	3,162	2,800
Decrease (increase) in long-term deposit	(310)	208
Net cash from investment activities	<u>808</u>	<u>120</u>
<u>Cash flows from financing activities</u>		
Long-term loans repaid	(589)	(95)
Net cash used for financing activities	<u>(589)</u>	<u>(95)</u>
Increase (decrease) in cash and from activities in the year	<u>(11,199)</u>	<u>25,652</u>
Cash balance as at the beginning of the year	31,257	5,605
Total cash balance at the end of the year	<u>20,058</u>	<u>31,257</u>

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

Table to Table - Leket Israel (Reg. NPO)

Statement of cash flows

Year ended December 31, 2022

Adjustments required to present cash flows from operating activities

	Year ended	
	December 31	
	2022	2021
	NIS thousands	NIS thousands
<u>Income not related to cash flows</u>		
Depreciation	1,443	1,356
Increase (decrease) in severance reserve	157	(101)
Capital loss (gain) from the sale of fixed assets	3	(13)
Amounts released from restricted net assets	(4,864)	(2,155)
	<u>(3,261)</u>	<u>(913)</u>
<u>Changes in asset and liabilities</u>		
Decrease (increase) in other receivables	(8,053)	3,881
Increase in payables and checks payable	1,408	1,708
Increase (decrease) in other payables	(738)	1,490
	<u>(7,383)</u>	<u>7,079</u>
	<u>(10,644)</u>	<u>6,166</u>

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

Table to Table - Leket Israel (Reg. NPO)

Notes to the financial statements as at December 31, 2022

NOTE 1 – GENERAL

- A. Table to Table - Leket Israel (R.A.) (the "Association") is a non-profit organization. The Association was registered with the Registrar of Associations on March 18, 2003. The Association's registration number is 580407633.
- B. The Association's objectives are:
1. To collect surplus food products, agricultural produce, and cooked food from events, army bases, hotels, catering companies, cafeterias, farmers, and packing houses, which, if not collected, would be thrown away, and to distribute the food to the needy, directly or through aid organizations
 2. To collect or acquire of all kinds of food and to distribute it to the needy, directly or through aid organizations
 3. To grow agricultural produce for distribution to the needy, directly or through aid organization
 4. To assist civilians and Israel Defense Forces soldiers in times of emergency, according to their needs in this period. Times of emergency for this purpose refers to: war, military operations, and any other period in which civilians are under any kind of threat due to their being civilians.
 5. To engage in public activity, including lobbying to advance solutions for the problem of food insecurity in Israeli society
 6. To engage in any act of kindness, charity, and aid for the needy
- C. The Association has been recognized as a public institution by the Israel Tax Authority, under 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 2026.
- E. The Association has proper management approval for two years from the Registrar of Associations until the end of 2023.
- F. Amendment to the Associations Law (Amendment No. 11), 2008

In the accounting year, the Association did not receive any donations for its activities from a foreign political entity.

Table to Table - Leket Israel (Reg. NPO)

Notes to the financial statements as at December 31, 2022

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

A. Reporting principles

The financial statements have been prepared in accordance with generally accepted accounting principles and in accordance with Accounting Standard No. 40 (Amended in 2021) published by the Israel Accounting Standards Board in November 2021.

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 amounts of non-monetary assets do not necessarily represent disposal or current economic value, but rather the reported amounts of those assets.
3. In the financial statements, "cost" refers to cost in reported amounts.

C. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of the assets and liabilities disclosed in the financial statements, as well as the amounts of income and expenses in the reporting period. Actual results may differ from these estimates.

D. Cash and cash equivalents

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

E. Fixed assets

1. Depreciation is recognized on a straight-line basis at annual rates considered sufficient to depreciate the assets over their estimated useful lives.
2. Improvements and betterments are recognized in cost of assets, while expenses for maintenance and repairs are recognized in the statement of activities as incurred.
3. Annual depreciation rates:

	<u>%</u>
Vehicles	15-25
Furniture, equipment, and computers	6-33
Leasehold improvements	10
Land	0

F. Related parties

As defined in Accounting Standard No. 41 of the Israel Accounting Standards Board.

G. Recognition of income and expenses

Under Accounting Standard No. 40 (Amended in 2021) published by the Israel Accounting Standards Board, income and expenses were recognized on a cumulative basis, donations are recognized as income or as an addition to restricted net assets, donations of non-monetary assets are presented according to their fair value at the date they were received, and in addition, if restrictions imposed by donors were met in the reporting period in which the donation was received, the donation is recognized as income provided that the Association applies this policy consistently in all periods.

H. Donations as cash equivalent

As of 2011, the food inventory and its distribution is managed in a computerized system for the accurate recording of cooked meals and agricultural produce arriving at the Association's warehouses as donations. The value of donations is recorded in the Association's financial statements on a cost basis. See Note 10.

Table to Table - Leket Israel (Reg. NPO)

Notes to the financial statements as at December 31, 2022

I. Balances in or linked to foreign currency

Balances in or linked to foreign currency are included in the financial statements at the representative exchange rates as at the balance sheet date.

Below is information about USD exchange rates and the CPI:

	USD representative exchange rate	CPI for December -
	NIS	in points (*)
December 31, 2022	3.519	109.41
December 31, 2021	3.110	103.94
<u>Change in the year ended</u>	%	%
December 31, 2022	13.15	5.26
December 31, 2021	(3.27)	2.8

(*) 2016 CPI

NOTE 3 – CASH AND CASH EQUIVALENTS

	December 31	
	2022	2021
	NIS thousands	NIS thousands
Cash in banks in NIS	8,954	14,371
Cash in banks in foreign currency	13	9,479
Short-term deposits	11,059	7,407
Shopping voucher fund	32	-
	20,058	31,257

NOTE 4 – OTHER RECEIVABLES

	December 31	
	2022	2021
	NIS thousands	NIS thousands
Income receivable	10,261	2,146
Prepaid expenses	1,130	1,098
Israel Gives	657	745
Advances to suppliers	100	106
Checks receivable	2	2
	12,150	4,097

Table to Table - Leket Israel (Reg. NPO)

Notes to the financial statements as at December 31, 2022

NOTE 5 – FIXED ASSETS, NET

	<u>December 31</u>					<u>2021</u>	
	<u>2022</u>				<u>Total</u>		<u>Total</u>
	<u>Leasehold improvements</u>	<u>Land</u>	<u>Vehicles</u>	<u>Furniture, equipment, & computers</u>			
	<u>NIS thousands</u>						
<u>Cost</u>							
Balance as at the beginning of the year	5,011	3,521	2,945	5,977	17,454	14,736	
Additions in the year	6	-	530	1,512	2,048	2,901	
Derecognition in the year	-	-	(275)	-	(275)	(183)	
Balance as at the end of the year	<u>5,017</u>	<u>3,521</u>	<u>3,200</u>	<u>7,489</u>	<u>19,227</u>	<u>17,454</u>	
<u>Accumulated depreciation</u>							
Balance as at the beginning of the year	1,074	-	1,957	2,845	5,876	4,703	
Depreciation in the year	494	-	300	649	1,443	1,356	
Depreciation for derecognitions in the year	-	-	(268)	-	(268)	(183)	
Balance as at the end of the year	<u>1,568</u>	<u>-</u>	<u>1,989</u>	<u>3,494</u>	<u>7,051</u>	<u>5,876</u>	
<u>Amortized cost</u>	<u>3,449</u>	<u>3,521</u>	<u>1,211</u>	<u>3,995</u>	<u>12,176</u>	<u>11,578</u>	
<u>Annual depreciation rates</u>	<u>10%</u>	<u>0%</u>	<u>15%-20%</u>	<u>6%-33%</u>			

NOTE 6 – OTHER PAYABLES

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
	<u>NIS thousands</u>	<u>NIS thousands</u>
Employees	1,232	1,052
Payroll institutions	1,049	879
Expenses payable	160	1,183
Provision for vacation and recreation	939	839
Provision for lawsuits	45	-
VAT for a betterment transaction	-	219
Others	24	15
	<u>3,449</u>	<u>4,187</u>

Table to Table - Leket Israel (Reg. NPO)

Notes to the financial statements as at December 31, 2022

NOTE 7 – LONG-TERM LOAN

	December 31	
	2022	2021
	<u>NIS thousands</u>	<u>NIS thousands</u>
A. Composition:		
Long-term bank loan - guaranteed by the state (Prime + 1.5%)	1,816	2,405
Less - current maturities	(598)	(602)
	<u>1,218</u>	<u>1,803</u>
B. Repayment dates subsequent to the balance sheet date:		
First year - current maturity	598	602
Second year	643	618
Third year	575	638
Fourth year	-	547
Total	<u>1,816</u>	<u>2,405</u>

NOTE 8 – LIABILITIES FOR SEVERANCE PAY, NET

The reserve for severance pay covers the balance due to employees net of the liabilities covered by directors insurance plans. The amounts deposited are not included in the balance sheets, since they are not under the control and management of the Association. The liability amount for severance pay included in the balance sheets reflects the balance of the liability not covered by the insurance policies, as aforesaid.

Employees who started work at the Association as from October 2012, are signed on section 14 of the Severance Pay Law.

NOTE 9 – RESTRICTED NET ASSETS

Restricted net assets are intended to be used for projects such as food rescue and help to the needy.

Table to Table - Leket Israel (Reg. NPO)

Notes to the financial statements as at December 31, 2022

NOTE 10 – AGRICULTURAL PRODUCE AND COOKED FOOD AS CASH EQUIVALENT

	Year ended December 31	
	2022	2021
	NIS thousands	NIS thousands
Agricultural produce as cash equivalent (see section A)	85,870	75,542
Cooked food as cash equivalent (see section B)	35,798	27,140
	<u>121,668</u>	<u>102,682</u>

A. Leket project

The Leket project collects agricultural produce from farmers and distributors. The Association's volunteers pick and pack the agricultural produce, which is distributed to shelters and associations that provide food to the needy.

The quantity of agricultural produce collected in the reporting year amounted to 26,625 tons (in 2021, 25,085 tons). In the reporting year, the financial scope of these donations amounted to NIS 85,870 thousand (in 2021, NIS 75,542 thousand).

The value of agricultural produce was calculated according to the price of wholesale fruit and vegetables published by the Ministry of Agriculture, multiplied by the number of kilograms received.

The market value of agricultural produce is calculated according to the Ministry of Agriculture's survey, which is published weekly, based on their high value in the survey, and the market value of fruit and vegetables that do not appear in the survey is determined by the average annual margin between the wholesale price and the retail price of fruit and vegetables in the leading food chains.

Accordingly, the management's assessment is that the market value of the agricultural produce received as a donation in the reporting year amounted to NIS 196,595 thousand. In 2021, the market value of fruit and vegetables amounted to NIS 172,750 thousand (the information on the market value is unaudited).

B. Cooked food

In 2022, the Association received donations of cooked food with a monetary value of NIS 35,798 thousand (in 2021, NIS 27,140 thousand).

The main contributors are IDF bases, companies, hotels and more.

The cost of cooked food in the reporting year was calculated according to the number of meals donated multiplied by the cost of the meal. The cost of a meal was based on information received from the various catering companies and the assessment of the Association's management.

The cost of a meal amounts to NIS 19.

In the reporting year, the market price of the meals is estimated at NIS 54,640 thousand (in 2021, NIS 41,424 thousand) according to the market value based on the price of a meal for the consumer at NIS 29.

NOTE 11 – VALUE OF VOLUNTEERS

1. Volunteers as cash equivalent

The association is assisted by volunteers working for no consideration to advance the Association's goals.

In 2022, the Association used 80 thousand volunteer hours with a monetary value of NIS 2,119 thousand based on the minimum wage.

In 2021, the Association used 25 thousand volunteer hours with a monetary value of NIS 734 thousand based on the minimum wage

2. Value of services and products

In 2022, the Association received various services amounting to NIS 117 thousand.

In 2021, the Association received various and products services amounting to NIS 270 thousand.

Table to Table - Leket Israel (Reg. NPO)

Notes to the financial statements as at December 31, 2022

NOTE 12 – DIRECT OPERATING EXPENSES

	Year ended	
	December 31	
	2022	2021
	NIS thousands	NIS thousands
Leket project	27,109	25,339
Projects for the needy	8,318	5,035
Nahalal, Binyamina, and Rishon LeZion project	828	624
Nutrition workshops and research	535	497
Infrastructure and support for associations	1,436	373
Rent, communications, and maintenance	4,543	3,761
Media and public relations	6,783	5,175
Vehicle maintenance, including depreciation	8,847	6,620
Depreciation	494	488
	<u>58,893</u>	<u>47,912</u>

NOTE 13 – GENERAL AND ADMINISTRATIVE EXPENSES

	Year ended	
	December 31	
	2022	2021
	NIS thousands	NIS thousands
Salary and related expenses (*)	8,538	7,242
Rent and maintenance	646	502
Communications and office expenses	458	298
Professional services	537	536
Travel abroad	85	10
Vehicle maintenance	361	263
Banking	81	63
Depreciation	649	549
	<u>11,355</u>	<u>9,463</u>

(*) Includes payroll expenses for related parties who are not board members in the amount of NIS 797 thousand (in 2021, NIS 770 thousand).

NOTE 14 - GUARANTEES

The Association provided bank guarantees in the amount of NIS 1,164 thousand for the lease of a building and lease of plastic box pallets (in 2021, NIS 579 thousand for lease of a building).

Table to Table - Leket Israel (Reg. NPO)

Notes to the financial statements as at December 31, 2022

NOTE 15 – STATEMENT OF ACTIVITIES (BY NATURE OF THE EXPENSE)

	Year ended	
	December 31	
	<u>2022</u>	<u>2021</u>
	<u>NIS thousands</u>	<u>NIS thousands</u>
<u>Income from activities</u>		
Income as cash equivalent	123,904	103,686
Donations and contributions	77,073	86,076
Revenues released from restriction	4,864	2,155
	<u>205,841</u>	<u>191,917</u>
<u>Expenses</u>		
Salary and related expenses	(25,273)	(20,576)
Expenses as cash equivalent	(123,904)	(103,686)
Projects	(36,255)	(30,998)
Nutrition workshops and research	(535)	(497)
Infrastructure and support for associations	(1,436)	(373)
Rent, maintenance, offices, and communication	(5,647)	(4,561)
Advertising, public relations, and fundraising	(8,040)	(5,856)
Vehicle maintenance	(8,908)	(6,564)
Depreciation	(1,443)	(1,356)
Professional services	(537)	(536)
Travel abroad	(85)	(10)
Banking	(81)	(63)
	<u>(212,144)</u>	<u>(175,076)</u>
Net income (expenses) before financing	<u>(6,303)</u>	<u>16,841</u>
Financing income (expenses), net	39	(221)
Net income (expenses) after financing expenses	<u>(6,264)</u>	<u>16,620</u>
Other (expenses) income	(3)	13
Net income (deficit) for the year	<u><u>(6,267)</u></u>	<u><u>16,633</u></u>