

**“COMET-ME”**

**Community, Energy and Technology In The Middle East**

**(Community Interest Company)**

**FINANCIAL STATEMENTS**

**As of December 31, 2017**

**July 2, 2018**

**"COMET-ME"**  
**Community,Energy and Technology In The Middle East**  
**(Community Interest Company)**

**FINANCIAL STATEMENTS**

**As of December 31, 2017**

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**To The Board of Directors**  
**Community, Energy and Technology in the Middle-East (Comet-ME)**  
**(Community Interest Company)**

**Auditors' Report**

We have audited the balance sheet of Community, Energy and Technology in the Middle-East (Comet-ME) as of 31 December 2017 and 2016 and the related statement of activities for the years then ended. These financial statements are the responsibility of the organization'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, including those prescribed by the Auditors, Regulations (Auditor of performance) - 1973. Those standards require that we plan and perform the audit to obtain reasonable assurance that 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 used and significant estimates made by the organization'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.

The above mentioned financial statements have been prepared in nominal values. Information as to the effect of the changes in the general purchasing power of the Israeli currency on the financial statements, in accordance with the pronouncements of the Institute of Certified Public Accountants in Israel, has not been included in the financial statements.

In our opinion, subject to non-inclusion of the information in the previous paragraph, the aforementioned financial statements present fairly, in conformity with generally accepted accounting principles applicable to non-profit organizations and subject to that stated above, in all material aspects the financial position of Community, Energy and Technology in the Middle-East (Comet-ME) as of December 31, 2017 and 2016 and the results of its operations, for the years then ended, on the basis of historical cost in nominal Israeli currency.

  
**George Deek**  
**Jaffa Certified Public Accountant (Isr.)**

**Tel-Aviv-**  
**July 2, 2018**

**Community, Energy and Technology in the Middle East  
(Comet-ME)  
Balance Sheet  
As of 31 December 2017**

	<u>Note</u>	<u>2017</u> <u>NIS</u>	<u>2016</u> <u>NIS</u>
<b><u>ASSETS</u></b>			
<b><u>CURRENT ASSETS:</u></b>			
Cash and Cash Equivalents		1,805,428	1,201,494
Other debts and debit balances	(3)	<u>43,945</u>	<u>602,554</u>
		<b><u>1,849,373</u></b>	<b><u>1,804,048</u></b>
FIXED ASSETS	(4)	<u>82,623</u>	<u>104,209</u>
<b>TOTAL ASSETS</b>		<b><u>1,931,996</u></b>	<b><u>1,908,257</u></b>
<b><u>LIABILITIES AND NET ASSETS</u></b>			
<b><u>CURRENT LIABILITIES:</u></b>			
Suppliers and Checks Payable		152,270	78,663
Creditors and Accounts Payable	(5)	<u>1,371,596</u>	<u>1,709,898</u>
<b>Total Current Liabilities</b>		<b><u>1,523,866</u></b>	<b><u>1,788,561</u></b>
<b><u>Long Term Liabilities</u></b>			
Employee benefit liabilities, net		<u>13,762</u>	<u>29,947</u>
<b>Total Liabilities</b>		<b><u>1,537,628</u></b>	<b><u>1,818,508</u></b>
<b><u>NET ASSETS:</u></b>			
Unrestricted Net Assets of activities		<u>394,368</u>	<u>89,749</u>
Total Net Assets		<u>394,368</u>	<u>89,749</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>		<b><u>1,931,996</u></b>	<b><u>1,908,257</u></b>

\_\_\_\_\_  
Director

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Director

The notes to the financial statements form an integral part thereof

**Community, Energy and Technology in the Middle East  
(Comet-ME)  
Statement of Activities**

	<u>Note</u>	<u>2017</u> <u>NIS</u>	<u>2016</u> <u>NIS</u>
<b><u>GROSS INCOME FROM ACTIVITIES:</u></b>			
INCOME	(6)	<u>9,186,191</u>	<u>4,833,498</u>
<b><u>COST OF ACTIVITIES:</u></b>			
Salaries and Benefits		(688,348)	(363,936)
Material Costs		(5,573,876)	(2,614,227)
Project Managers Salary and Maintenance		(1,042,125)	(1,133,273)
Service Providers	(7)	<u>(618,200)</u>	<u>(508,938)</u>
<b>Total Cost of Activities</b>		<u>(7,922,549)</u>	<u>(4,620,374)</u>
<b>Net Income from Activities</b>		1,263,6422	13,124
General and Administrative Expenses	(8)	<u>(955,626)</u>	<u>(558,181)</u>
<b>Net Income (Expense) Before Financial Expenses</b>		308,016	(345,057)
Financial (Expenses) Income, Net		<u>(3,397)</u>	<u>(4,362)</u>
<b>Net Income After Financial Expenses</b>		<b><u>304,619</u></b>	<b><u>(349,419)</u></b>

The notes to the financial statements form an integral part thereof

# Community, Energy and Technology in the Middle East (Comet-ME)

## Notes to Financial Statements

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### 1. Background:

Community, Energy and Technology in the Middle-East (Comet-ME) is an NGO based in Israel – Tsafirim.

Comet-ME is a Community Interest Company officially registered on 14<sup>th</sup> September 2009 under registration number 5-143261-07.

The mission of Comet-ME is to facilitate social and economical empowerment in the poorest and most marginalized communities of the occupied Palestinian territories through material support and capacity building. The core of our activity is the provision of basic energy services for off-grid communities using solar and wind power, in a way that is both environmentally and socially sustainable.

Its main initiative is to build renewable energy systems for communities that are not connected to the electricity grid because of political reasons and build local capacity to install and maintain those systems.

#### 1.1 Source of Funds:

Comet-ME sources of funds are donations from international and local organizations and from current activities.

### 2. Principal Accounting Policies:

- a. The financial statements have been compiled in accordance to audit statement no. 69 of the institute of Certified Public Accountant in Israel and according to standard no. 5 of the institute of accounting standards.
- b. **Cash and cash equivalents** – include bank deposits for up to three months deposit from the balance sheet date.

## 2. Principal Accounting Policies: (continued)

- c. **Fixed assets** – include computers, furniture and office equipment. The annual rates of depreciation are between 6% and 33%, improvements to rented premises are amortized on a straight line method over the rental contract period, which does not exceed the estimated useful life of the improvements.
- d. Below are the details of consumer price index and the Euro rate of exchange:

	<u>31 December</u>	
	<u>2017</u>	<u>2016</u>
Consumer price index (average base 1998)	139.9	139.6
EURO currency (N.I.S for 1 Euro)	3.4670	3.8450
U.S Dollar	4.1526	4.0438

## 3. Other debts and debit balances:

	<u>31 December</u>	
	<u>2017</u>	<u>2016</u>
	<u>NIS</u>	<u>NIS</u>
Attorney deposit	-	558,609
Advance payment for suppliers	<u>43,945</u>	<u>43,945</u>
	<u><b>43,945</b></u>	<u><b>602,554</b></u>

## 4. Fixed Assets:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>31 December</u>	
	<u>NIS</u>	<u>NIS</u>	<u>2017</u>	<u>2016</u>
			<u>NIS</u>	<u>NIS</u>
Leasehold Improvements	64,684	33,935	30,749	37,217
Machinery and Equipment	<u>147,446</u>	<u>95,572</u>	<u>51,874</u>	<u>66,992</u>
	<u><b>212,130</b></u>	<u><b>129,507</b></u>	<u><b>82,623</b></u>	<u><b>104,209</b></u>

**5. Creditors and Accounts Payables:**

	<u>31 December</u>	
	<u>2017</u>	<u>2016</u>
	<u>NIS</u>	<u>NIS</u>
Income in advance *	1,290,228	1,672,931
Institutions	45,853	7,405
Employees	3,233	1,035
Other creditors	<u>32,282</u>	<u>28,527</u>
	<b><u>1,371,596</u></b>	<b><u>1,709,898</u></b>

\*The article income in advance includes income received at the current year for activities to be implemented in the year after.

**6. Gross Income:**

	<u>31 December</u>	
	<u>2017</u>	<u>2016</u>
	<u>NIS</u>	<u>NIS</u>
<b>Donations from foreign funds</b>	9,097,151	4,757,873
Income from current activities	<u>89,040</u>	<u>75,625</u>
	<b><u>9,186,191</u></b>	<b><u>4,833,498</u></b>

**Donations from Foreign Funds:**

	<u>31 December</u>	
	<u>2017</u>	<u>2016</u>
	<u>NIS</u>	<u>NIS</u>
The Rockefeller Brothers Foundation	181,866	191,307
Irish Aid	598,754	19,137
Swiss Olive Oil Campaign	-	97,028
Ministry of Foreign Affairs of The Netherlands	4,033,038	1,394,212
The Osprey Foundation	308,843	288,236
The Federal Republic of Germany	3,797,399	2,667,987
Firedoll Foundation	-	75,903
Other funds from abroad	<u>177,252</u>	<u>24,063</u>
<b><u>Total Donations from Foreign Funds</u></b>	<b><u>9,097,151</u></b>	<b><u>4,757,873</u></b>



## 7. Service Provider's

	<u>31 December</u>	
	<u>2017</u>	<u>2016</u>
	<u>NIS</u>	<u>NIS</u>
Technical coordinator	402,500	296,000
Fundraiser	143,700	141,118
Finance Manager	<u>72,000</u>	<u>71,820</u>
	<b><u>618,200</u></b>	<b><u>508,938</u></b>

\*\* 2016 comparatives have been restated.

## 8. General and Administrative Expenses:

	<u>31 December</u>	
	<u>2017</u>	<u>2016</u>
	<u>NIS</u>	<u>NIS</u>
Communication Expenses	16,075	13,105
Office Supplies Expenses	12,319	12,554
Business & equipment maintenance	31,863	17,346
Refreshments Expenses	4,568	6,129
Travel Expenses	361,213	362,123
Travel Abroad Expenses	-	6,670
Fees and Membership	9,655	1,120
Research and Development Expenses	259,629	-
Depreciation Expenses	25,294	24,671
Legal Expenses	211,646	81,037
Audit and Bookkeeping Expenses	<u>23,364</u>	<u>33,426</u>
	<b><u>(955,626)</u></b>	<b><u>(558,181)</u></b>

\*\* 2016 comparatives have been restated.

\*\* The clause pertaining to expenses for Research and Development are expenses incurred for the development of a solar water pump for agricultural purposes.