

**“COMET-ME”**

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

**(Community Interest Company)**

**FINANCIAL STATEMENTS**

**As of December 31, 2012**

**August 8, 2013**

**"COMET-ME"**  
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**(Community Interest Company)**

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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 2012 and 2011 and the related statement of activities for the year 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, 2012 and 2011 and the results of its operations, for the year then ended, on the basis of historical cost in nominal Israeli currency.

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

**Tel-Aviv-Jaffa  
8 August 2013**

**Community, Energy and Technology in the Middle East  
(Comet-ME)  
Balance Sheet  
As of 31 December 2012**

	<u>Note</u>	<u>2012</u> <u>NIS</u>	<u>2011</u> <u>NIS</u>
<b><u>ASSETS</u></b>			
<b><u>CURRENT ASSETS:</u></b>			
Cash and Cash Equivalents		1,333,323	373,432
Contributions and allocations receivable		60,876	-
Inventory		<u>20,000</u>	<u>38,000</u>
		<b>1,414,199</b>	<b>411,432</b>
FIXED ASSETS	(3)	<u>131,239</u>	<u>39,743</u>
<b>TOTAL ASSETS</b>		<b><u>1,545,438</u></b>	<b><u>451,175</u></b>
<b><u>LIABILITIES AND NET ASSETS</u></b>			
<b><u>CURRENT LIABILITIES:</u></b>			
Employee's		23,013	13,083
Suppliers and Checks Payable		4,355	16,664
Creditors and Accounts Payable	(4)	<u>1,032,348</u>	<u>292,071</u>
<b>Total Current Liabilities</b>		<b><u>1,059,716</u></b>	<b><u>321,818</u></b>
<b><u>Long Term Liabilities</u></b>			
Employee benefit liabilities, net		4,035	-
<b>Total Liabilities</b>		<b><u>1,063,751</u></b>	<b><u>321,818</u></b>
<b><u>NET ASSETS:</u></b>			
Unrestricted Net Assets of activities		<u>481,687</u>	<u>129,357</u>
Total Net Assets		<u>481,687</u>	<u>129,357</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>		<b><u>1,545,438</u></b>	<b><u>451,175</u></b>

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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**

**For The Year Ended 31 December 2011**

		<u>2012</u>	<u>2011</u>
	<u>Note</u>	<u>NIS</u>	<u>NIS</u>
<b><u>GROSS INCOME FROM ACTIVITIES:</u></b>			
INCOME	(5)	<u>1,951,230</u>	<u>2,049,549</u>
<b><u>COST OF ACTIVITIES:</u></b>			
Salaries	(6)	448,765	305,900
Material Costs		470,805	1,288,317
Service Providers	(7)	<u>275,140</u>	<u>299,800</u>
<b>Total Cost of Activities</b>		<b><u>(1,194,710)</u></b>	<b><u>(1,894,017)</u></b>
<b>Net Income from Activities</b>		756,520	155,532
General and Administrative Expenses	(8)	<u>398,508</u>	<u>(177,534)</u>
<b>Net Income(Expense) Before Financial Expenses</b>		358,012	(22,002)
Financial Expenses, Net		<u>(5,682)</u>	<u>(1,114)</u>
<b>Net Income After Financial Expenses</b>		<b><u>352,330</u></b>	<b><u>(23,116)</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 NGO based in Israel – Jaffa.

Comet-ME mission 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.

Comet-ME is a Community Interest Company officially registered on 14<sup>th</sup> September 2009 under registration number 5-143261-07. 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>2012</u>	<u>2011</u>
Consumer price index (average base 1998)	139.03	136.8
EURO currency (N.I.S for 1 Euro)	4.9206	4.9381
American Dollar	3.733	3.821

## 3. Fixed Assets:

	<u>Accumulated</u>		<u>31 December</u>	
	<u>Cost</u>	<u>Depreciation</u>	<u>2011</u>	<u>2010</u>
	<u>NIS</u>	<u>NIS</u>	<u>NIS</u>	<u>NIS</u>
Leasehold Improvements	57,981	1,933	56,048	-
Machinery and Equipment	<u>89,866</u>	<u>14,675</u>	<u>75,191</u>	<u>39,743</u>
	<u>147,847</u>	<u>16,608</u>	<u>131,239</u>	<u>39,743</u>

## 4. Creditors and Accounts Payables:

	<u>31 December</u>	
	<u>2012</u>	<u>2011</u>
	<u>NIS</u>	<u>NIS</u>
Other creditors	24,269	3,774
Income in advance	996,427	281,954
Institutions	<u>11,652</u>	<u>6,343</u>
	<u>1,032,348</u>	<u>292,071</u>

The article income in advance includes income received at 2012 for activities to be implemented in 2013.

## 5. Gross Income:

	<u>31 December</u>	
	<u>2012</u>	<u>2011</u>
	<u>NIS</u>	<u>NIS</u>
Donations from foreign funds	1,876,094	1,984,028
Foreign private donations	20,084	24,380
Local private donations	8,300	6,341
Income from current activities	<u>46,752</u>	<u>34,800</u>
	<b><u>1,951,230</u></b>	<b><u>2,049,549</u></b>

### Donations from Foreign Funds:

	<u>31 December</u>	
	<u>2012</u>	<u>2011</u>
	<u>NIS</u>	<u>NIS</u>
Medico International – Germany	515,610	1,686,624
Swiss Olive Oil Campaign	205,635	113,953
German Representative – Ramallah	100,000	-
The Rockefeller Foundation	149,106	-
Svenska Lotto	318,365	-
Center for Emerging Futures	19,903	8,106
Irish Aid	293,649	18,835
Accion Contra El Hambre	208,400	-
Anonymous Donor	18,751	-
Swiss Agency For Development	33,771	144,579
Engineers Without Borders	<u>12,904</u>	<u>11,931</u>
<b><u>Total Donations from Foreign Funds</u></b>	<b><u>1,876,094</u></b>	<b><u>1,984,028</u></b>

## 6. Salaries And Benefits

	<u>31 December</u>	
	<u>2012</u>	<u>2011</u>
	<u>NIS</u>	<u>NIS</u>
Salaries and Benefits	358,099	267,250
Payroll Service Providers	<u>90,666</u>	<u>38,650</u>
	<u>448,765</u>	<u>305,900</u>



## 7. Service Provider's

	<u>31 December</u>	
	<u>2012</u>	<u>2011</u>
	<u>NIS</u>	<u>NIS</u>
Technical coordinator	188,766	184,600
Community Organizer	52,000	30,000
Fundraiser	<u>34,374</u>	<u>85,200</u>
	<u><b>275,140</b></u>	<u><b>299,800</b></u>

## 8. General and Administrative Expenses:

	<u>31 December</u>	
	<u>2012</u>	<u>2011</u>
	<u>NIS</u>	<u>NIS</u>
Audit and Bookkeeping Expenses	20,500	20,500
Travel Expenses	201,287	131,121
Office Supplies Expenses	5,907	6,346
Communication Expenses	11,132	5,285
Fees and Membership	1,978	1,067
Legal Expenses	78,575	-
Rent	5,500	-
Professional Services	14,104	-
Refreshments Expenses	4,086	950
Printing and Publications Expenses	41,021	3,809
Depreciation Expenses	9,598	4,134
Travel Abroad Expenses	<u>4,820</u>	<u>4,322</u>
	<u><b>398,508</b></u>	<u><b>177,534</b></u>