

“COMET-ME”

Community, Energy and Technology In The Middle East

(Community Interest Company)

FINANCIAL STATEMENTS

As of December 31, 2014

June 22, 2015

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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 2014 and 2013 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, 2014 and 2013 and the results of its operations, for the years then ended, on the basis of historical cost in nominal Israeli currency.

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

**Tel-Aviv-Jaffa
22 June ,2015**

Community, Energy and Technology in the Middle East
(Comet-ME)
Balance Sheet
As of 31 December 2014

	<u>Note</u>	<u>2014</u>	<u>2013</u>
		<u>NIS</u>	<u>NIS</u>
<u>ASSETS</u>			
<u>CURRENT ASSETS:</u>			
Cash and Cash Equivalents		1,129,096	1,012,240
Short term investments		302,347	-
Inventory		-	30,145
		1,431,443	1,042,385
FIXED ASSETS	(3)	<u>117,415</u>	<u>128,301</u>
TOTAL ASSETS		<u>1,548,858</u>	<u>1,170,686</u>
<u>LIABILITIES AND NET ASSETS</u>			
<u>CURRENT LIABILITIES:</u>			
Employee's		19,759	15,936
Suppliers and Checks Payable		5,310	9,863
Creditors and Accounts Payable	(4)	<u>1,134,733</u>	<u>628,813</u>
Total Current Liabilities		<u>1,159,802</u>	<u>654,612</u>
<u>Long Term Liabilities</u>			
Employee benefit liabilities, net		<u>9,260</u>	<u>1,455</u>
Total Liabilities		<u>1,169,062</u>	<u>656,067</u>
<u>NET ASSETS:</u>			
Unrestricted Net Assets of activities		<u>379,796</u>	<u>514,619</u>
Total Net Assets		<u>379,796</u>	<u>514,619</u>
TOTAL LIABILITIES AND NET ASSETS		<u>1,548,858</u>	<u>1,170,686</u>

Director

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>2014</u>	<u>2013</u>
		<u>NIS</u>	<u>NIS</u>
<u>GROSS INCOME FROM ACTIVITIES:</u>			
INCOME	(5)	<u>2,418,772</u>	<u>2,156,057</u>
<u>COST OF ACTIVITIES:</u>			
Salaries and Benefits	(6)	615,656	469,012
Material Costs		958,851	782,940
Service Providers	(7)	<u>416,052</u>	<u>349,479</u>
Total Cost of Activities		<u>(1,990,559)</u>	<u>(1,601,431)</u>
Net Income from Activities		428,213	554,626
General and Administrative Expenses	(8)	<u>574,666</u>	<u>488,885</u>
Net Income (Expense) Before Financial Expenses		(146,453)	65,741
Financial (Expenses) Income, Net		<u>11,630</u>	<u>(32,809)</u>
Net Income After Financial Expenses		<u>(134,823)</u>	<u>32,932</u>

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

1. Background:

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

Comet-ME is a Community Interest Company officially registered on 14th 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>2014</u>	<u>2013</u>
Consumer price index (average base 1998)	141.25	141.55
EURO currency (N.I.S for 1 Euro)	3.889	4.781
U.S Dollar	4.724	3.471

3. Fixed Assets:

	Accumulated		<u>31 December</u>	
	<u>Cost</u>	<u>Depreciation</u>	<u>2014</u>	<u>2013</u>
	<u>NIS</u>	<u>NIS</u>	<u>NIS</u>	<u>NIS</u>
Leasehold Improvements	64,684	14,531	50,153	54,522
Machinery and Equipment	<u>110,211</u>	<u>42,949</u>	<u>67,262</u>	<u>73,779</u>
	<u>174,895</u>	<u>57,480</u>	<u>117,415</u>	<u>128,301</u>

4. Creditors and Accounts Payables:

	<u>31 December</u>	
	<u>2014</u>	<u>2013</u>
	<u>NIS</u>	<u>NIS</u>
Other creditors	20,424	21,827
Income in advance *	1,105,342	598,987
Institutions	<u>8,967</u>	<u>7,999</u>
	<u>1,134,733</u>	<u>628,813</u>

*The article income in advance includes income received at 2014 for activities to be implemented in 2013.

5. Gross Income:

	<u>31 December</u>	
	<u>2014</u>	<u>2013</u>
	<u>NIS</u>	<u>NIS</u>
Donations from foreign funds *	2,387,452	1,909,070
Foreign private donations	-	190,612
Local private donations	14,660	-
Income from current activities	<u>16,660</u>	<u>56,375</u>
	<u>2,418,772</u>	<u>2,156,057</u>

Donations from Foreign Funds:

	<u>31 December</u>	
	<u>2014</u>	<u>2013</u>
	<u>NIS</u>	<u>NIS</u>
Medico International – Germany	593,397	593,397
Swiss Olive Oil Campaign	10,484	10,484
European union	410,455	-
The Rockefeller brothers Foundation	172,900	149,106
Swedish postcode foundation	274,692	456,075
The Almoney Fund	-	17,912
Irish Aid	358,311	287,149
French Ministry of Foreign Affairs	5,391	137,466
Belgian Development Agency - BTC	29,403	28,693
Ministry of Foreign Affairs of The Netherlands	166,086	59,347
The Osprey Foundation	19,544	141,583
New Zealand Ministry of Foreign Affairs	-	22,098
Slits Phm	-	3,317
ISRAA	-	2,443
Other funds from abroad	<u>5,773</u>	-
<u>Total Donations from Foreign Funds</u>	<u>2,387,452</u>	<u>1,909,070</u>

6. Salaries And Benefits

	<u>31 December</u>	
	<u>2014</u>	<u>2013</u>
	<u>NIS</u>	<u>NIS</u>
Salaries and Benefits	342,153	348,000
Payroll Service Providers	<u>273,503</u>	<u>121,012</u>
	<u>615,656</u>	<u>469,012</u>

7. Service Provider's

	<u>31 December</u>	
	<u>2014</u>	<u>2013</u>
	<u>NIS</u>	<u>NIS</u>
Technical coordinator	234,000	216,000
Community Organizer	65,000	55,000
Fundraiser	57,052	46,479
Finance Manager	<u>60,000</u>	<u>32,000</u>
	<u>416,052</u>	<u>349,479</u>

8. General and Administrative Expenses:

	<u>31 December</u>	
	<u>2014</u>	<u>2013</u>
	<u>NIS</u>	<u>NIS</u>
Audit and Bookkeeping Expenses	17,500	35,000
Travel Expenses	301,674	232,902
Office Supplies Expenses	2,946	5,960
Communication Expenses	21,312	14,361
Fees and Membership	1,369	1,410
Legal Expenses	124,243	89,728
Refreshments Expenses	7,222	2,339
Printing and Publications Expenses	14,779	50,329
Depreciation Expenses	21,332	19,539
Travel Abroad Expenses	31,797	23,856
Professional Education	12,093	3,600
Business & equipment maintenance	<u>18,399</u>	<u>9,861</u>
	<u>574,666</u>	<u>488,885</u>