

“COMET-ME”

Community, Energy and Technology In The Middle East

(Community Interest Company)

FINANCIAL STATEMENTS

As of December 31, 2018

September 4, 2019

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

FINANCIAL STATEMENTS

As of December 31, 2018

Contents

	<u>Page</u>
<u>Auditors' Report</u>	3
<u>Financial Statements</u>	
Balance Sheets	4
Statements of Activities	5
Notes to the Financial Statements	6-9

דיק ג'ורג' - רואה חשבון
GEORGE DEEK - C.P.A. (I S R)

1, Nahal Hbesour St.

טלפון: TEL 03-5076811
03-6592163

רח' נחל הבשור 1

Tel Aviv - Jaffa

פקס: FAX 03-5076946

תל אביב - יפו

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 2018 and 2017 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, 2018 and 2017 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
September 4, 2019

**Community, Energy and Technology in the Middle East
(Comet-ME)
Balance Sheet
As of 31 December 2018**

	<u>Note</u>	<u>2018</u>	<u>2017</u>
		<u>NIS</u>	<u>NIS</u>
<u>ASSETS</u>			
<u>CURRENT ASSETS:</u>			
Cash and Cash Equivalents		2,191,351	1,805,428
Other debts and debit balances	(3)	<u>26,395</u>	<u>43,945</u>
		<u>2,217,746</u>	<u>1,849,373</u>
FIXED ASSETS	(4)	<u>57,107</u>	<u>82,623</u>
TOTAL ASSETS		<u>2,274,853</u>	<u>1,931,996</u>
<u>LIABILITIES AND NET ASSETS</u>			
<u>CURRENT LIABILITIES:</u>			
Suppliers and Checks Payable		44,664	152,270
Creditors and Accounts Payable	(5)	<u>1,345,700</u>	<u>1,371,596</u>
Total Current Liabilities		<u>1,390,364</u>	<u>1,523,886</u>
<u>Long Term Liabilities</u>			
Employee benefit liabilities, net		<u>91,045</u>	<u>13,762</u>
Total Liabilities		<u>1,481,409</u>	<u>1,537,628</u>
<u>NET ASSETS:</u>			
Unrestricted Net Assets of activities		<u>793,444</u>	<u>394,368</u>
Total Net Assets		<u>793,444</u>	<u>394,368</u>
TOTAL LIABILITIES AND NET ASSETS		<u>2,274, 853</u>	<u>1,931,996</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>2018</u> <u>NIS</u>	<u>2017</u> <u>NIS</u>
<u>GROSS INCOME FROM ACTIVITIES:</u>			
INCOME	(6)	<u>7,917,411</u>	<u>9,186,191</u>
<u>COST OF ACTIVITIES:</u>			
Salaries and Benefits		(945,895)	(688,348)
Material Costs		(3,892,163)	(5,573,876)
Project Managers Salary and Maintenance		(878,793)	(1,042,125)
Service Providers	(7)	<u>(626,287)</u>	<u>(618,200)</u>
Total Cost of Activities		<u>(6,343,138)</u>	<u>(7,922,549)</u>
Net Income from Activities		1,574,273	1,263,642
General and Administrative Expenses	(8)	<u>(1,170,970)</u>	<u>(955,626)</u>
Net Income (Expense) Before Financial Expenses		403,303	308,016
Financial (Expenses) Income, Net		<u>(4,227)</u>	<u>(3,397)</u>
Net Income After Financial Expenses		<u>399,076</u>	<u>304,619</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 – Tsafirim.

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>2018</u>	<u>2017</u>
Consumer price index (average base 1998)	141.3	139.9
EURO currency (N.I.S for 1 Euro)	3.7480	3.4670
U.S Dollar	4.2916	4.1526

3. Other debts and debit balances:

	<u>31 December</u>	
	<u>2018</u>	<u>2017</u>
	<u>NIS</u>	<u>NIS</u>
Attorney deposit	<u>26,395</u>	<u>43,945</u>
	<u>26,395</u>	<u>43,945</u>

4. Fixed Assets:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>31 December</u>	
			<u>2018</u>	<u>2017</u>
	<u>NIS</u>	<u>NIS</u>	<u>NIS</u>	<u>NIS</u>
Leasehold Improvements	64,684	40,404	24,2680	30,749
Machinery and Equipment	<u>147,446</u>	<u>114,619</u>	<u>32,827</u>	<u>51,874</u>
	<u>212,130</u>	<u>155,023</u>	<u>57,107</u>	<u>82,623</u>

5. Creditors and Accounts Payables:

	<u>31 December</u>	
	<u>2018</u>	<u>2017</u>
	<u>NIS</u>	<u>NIS</u>
Income in advance *	1,262,103	1,290,228
Institutions	20,891	45,853
Employees	3,586	3,233
Other creditors	<u>59,120</u>	<u>32,282</u>
	<u>1,345,700</u>	<u>1,371,596</u>

*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>2018</u>	<u>2017</u>
	<u>NIS</u>	<u>NIS</u>
Donations from foreign funds	7,634,370	9,097,151
Income from current activities	<u>283,041</u>	<u>89,040</u>
	<u>7,917,411</u>	<u>9,186,191</u>

Donations from Foreign Funds:

	<u>31 December</u>	
	<u>2018</u>	<u>2017</u>
	<u>NIS</u>	<u>NIS</u>
Ministry of Foreign Affairs of The Netherlands	3,406,040	3,574,829
The Federal Republic of Germany	1,896,632	4,255,607
British Foreign and Commonwealth office	851,158	-
The Osprey Foundation	536,684	308,843
Irish Aid	307,585	598,754
Dan Church Aid	210,544	-
The Rockefeller Brothers Foundation	191,976	181,866
Swiss Olive Oil Campaign	87,677	-
Firedoll Foundation	83,130	-
Other funds from abroad	<u>52,744</u>	<u>177,252</u>
<u>Total Donations from Foreign Funds</u>	<u>7,624,170</u>	<u>9,097,151</u>

The detailed income submitted by the Dutch Ministry of Foreign affairs as well as the Republic of Germany are made pre-revenue relief.

7. Service Provider's

	<u>31 December</u>	
	<u>2018</u>	<u>2017</u>
	<u>NIS</u>	<u>NIS</u>
Technical coordinator	381,596	402,500
Fundraiser	172,691	143,700
Finance Manager	<u>72,000</u>	<u>72,000</u>
	<u>626,287</u>	<u>618,200</u>

8. General and Administrative Expenses:

	<u>31 December</u>	
	<u>2018</u>	<u>2017</u>
	<u>NIS</u>	<u>NIS</u>
Communication Expenses	13,763	16,075
Office Supplies Expenses	9,626	12,319
Business & equipment maintenance	67,202	31,863
Refreshments Expenses	7,145	4,568
Travel Expenses	530,874	361,213
Travel Abroad Expenses	2,069	-
Fees and Membership	1,488	9,655
Research and Development Expenses **	299,087	259,629
Depreciation Expenses	25,512	25,294
Legal Expenses	190,790	211,646
Audit and Bookkeeping Expenses	<u>23,414</u>	<u>23,364</u>
	<u>(1,170,970)</u>	<u>(955,626)</u>

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