

“COMET-ME”

Community, Energy and Technology In The Middle East

(Community Interest Company)

FINANCIAL STATEMENTS

As of December 31, 2011

September 8, 2012

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(Community Interest Company)

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Contents

	<u>Page</u>
<u>Auditors' Report</u>	1
<u>Financial Statements</u>	
Balance sheets	2
Statements of Activities	3
Notes to the financial statements	4-7

**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 2011 and 2010 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, 2011 and 2010 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 September 2012**

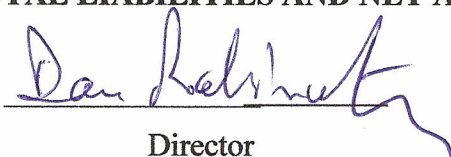


**Community, Energy and Technology in the Middle East
(Comet-ME)**

Balance Sheet

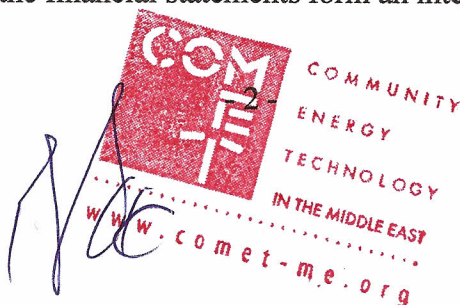
As of 31 December 2011

	<u>Note</u>	<u>2011</u> <u>NIS</u>	<u>2010</u> <u>NIS</u>
<u>ASSETS</u>			
<u>CURRENT ASSETS:</u>			
Cash and Cash Equivalents		373,432	129,699
Accounts Receivable	(3)	-	4,179
Inventory		<u>38,000</u>	<u>20,000</u>
		411,432	153,878
FIXED ASSETS	(4)	<u>39,743</u>	<u>23,668</u>
TOTAL ASSETS		<u>451,175</u>	<u>177,546</u>
<u>LIABILITIES AND NET ASSETS</u>			
<u>CURRENT LIABILITIES:</u>			
Employee's		13,083	-
Suppliers and Checks Payable		16,664	9,640
Creditors and Accounts Payable	(5)	<u>292,071</u>	<u>15,433</u>
Total Liabilities		<u>321,818</u>	<u>25,073</u>
<u>NET ASSETS:</u>			
Unrestricted Net Assets of activities		<u>129,357</u>	<u>152,473</u>
Total Net Assets		<u>129,357</u>	<u>152,473</u>
TOTAL LIABILITIES AND NET ASSETS		<u>451,175</u>	<u>177,546</u>


Director

The notes to the financial statements form an integral part thereof

Elad Orian
General manager



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

Statement of Activities

For The Year Ended 31 December 2011

	<u>Note</u>	<u>2011</u> <u>NIS</u>	<u>2010</u> <u>NIS</u>
<u>GROSS INCOME FROM ACTIVITIES:</u>			
INCOME	(6)	<u>2,049,549</u>	<u>1,256,838</u>
<u>COST OF ACTIVITIES:</u>			
Salaries		305,900	160,752
Material Costs		1,288,317	643,367
Service Providers	(7)	<u>299,800</u>	<u>226,700</u>
Total Cost of Activities		<u>(1,894,017)</u>	<u>(1,030,819)</u>
Net Income from Activities		<u>155,532</u>	<u>226,019</u>
General and Administrative Expenses	(8)	<u>(177,534)</u>	<u>(90,593)</u>
Net Income Before Financial Expenses		(22,002)	135,426
Financial Expenses, Net		<u>(1,114)</u>	<u>(4,465)</u>
Net Income After Financial Expenses		<u>(23,116)</u>	<u>130,961</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 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 14th 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>2011</u>	<u>2010</u>
Consumer price index (average base 1998)	136.8	133.88
EURO currency (N.I.S for 1 Euro)	4.9381	4.737
American Dollar	3.821	3.549

3. Accounts Receivables:

	<u>31 December</u>	
	<u>2011</u>	<u>2010</u>
	<u>NIS</u>	<u>NIS</u>
Institutions	-	<u>4,179</u>

4. 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>
Machinery and Equipment	46,753	7,010	<u>39,743</u>	<u>23,668</u>
			<u>39,743</u>	<u>23,668</u>

5. Creditors and Accounts Payables:

	<u>31 December</u>	
	<u>2011</u>	<u>2010</u>
	<u>NIS</u>	<u>NIS</u>
Income in advance	281,954	-
Other creditors	3,774	15,433
Institutions	6,343	-
	<u>292,071</u>	<u>15,433</u>

The article income in advance includes income received at 2011 for activities to be implemented in 2012.

6. Gross Income:

	<u>31 December</u>	
	<u>2011</u>	<u>2010</u>
	<u>NIS</u>	<u>NIS</u>
Donations from foreign funds	1,984,028	1,150,397
Foreign private donations	24,380	64,691
Local private donations	6,341	17,000
Income from current activities	34,800	24,750
	<u>2,049,549</u>	<u>1,256,838</u>

Donations from Foreign Funds:

	<u>31 December</u>	
	<u>2011</u>	<u>2010</u>
	<u>NIS</u>	<u>NIS</u>
Medico International – Germany	1,686,624	593,545
Swiss Olive Oil Campaign	113,953	190,398
German Representative – Ramallah	-	120,000
E.W.B. Denmark	-	87,040
Dan Church Aid – Denmark	-	67,577
Center for Emerging Future	8,106	53,124
Department for Foreign Affairs Ireland	18,835	15,363
Swiss Embassy – Israel	-	14,000
I.P.C.R.I	-	9,350

Swiss Agency For Development	144,579	-
Engineer's Without Borders	11,931	-
<u>Total Donations from Foreign Funds</u>	<u>1,984,028</u>	<u>1,150,397</u>

7. Service Provider's

	<u>31 December</u>	
	<u>2011</u>	<u>2010</u>
	<u>NIS</u>	<u>NIS</u>
Technical coordinator	184,600	156,200
Community Organizer	30,000	38,500
Fundraiser	85,200	22,000
Technical Guide	-	10,000
	<u>299,800</u>	<u>226,700</u>

8. General and Administrative Expenses:

	<u>31 December</u>	
	<u>2011</u>	<u>2010</u>
	<u>NIS</u>	<u>NIS</u>
Audit and Bookkeeping Expenses	20,500	15,800
Travel Expenses	131,121	38,760
Office Supplies Expenses	6,346	607
Communication Expenses	5,285	2,809
Fees and Membership	1,067	3,245
Legal Expenses	-	222
Donations	-	2,200
Clothing Expenses	-	1,835
Refreshments Expenses	950	334
Printing and Publications Expenses	3,809	21,949
Depreciation Expenses	4,134	2,832
Travel Abroad Expenses	4,322	-
	<u>177,534</u>	<u>90,593</u>