“COMET-ME”
Community, Energy and Technology In The Middle East

(Community Interest Company)

FINANCIAL STATEMENTS

As of December 31, 2015

September 3, 2016
"COMET-ME"
Community, Energy and Technology in the Middle East

(Community Interest Company)

FINANCIAL STATEMENTS

As of December 31, 2015

Contents

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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 2015 and 2014 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, 2015 and 2014 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 3, 2016
Community, Energy and Technology in the Middle East  
(Comet-ME)  
Balance Sheet  
As of 31 December 2015

<table>
<thead>
<tr>
<th>Note</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NIS</td>
<td>NIS</td>
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</tbody>
</table>

**ASSETS**

**CURRENT ASSETS:**

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents</td>
<td>324,604</td>
<td>1,129,096</td>
</tr>
<tr>
<td>Short term investments</td>
<td>303,476</td>
<td>302,347</td>
</tr>
<tr>
<td>Inventory</td>
<td>62,203</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>808,133</td>
<td>1,548,858</td>
</tr>
</tbody>
</table>

**FIXED ASSETS**

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>(3)</td>
<td>117,850</td>
<td>117,415</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>808,133</td>
<td>1,548,858</td>
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</tbody>
</table>

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES:**

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee’s</td>
<td>3,266</td>
<td>19,759</td>
</tr>
<tr>
<td>Suppliers and Checks Payable</td>
<td>-</td>
<td>5,310</td>
</tr>
<tr>
<td>Creditors and Accounts Payable (4)</td>
<td>356,439</td>
<td>1,134,733</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>359,705</td>
<td>1,159,802</td>
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</table>

**Long Term Liabilities**

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee benefit liabilities, net</td>
<td>9,260</td>
<td>9,260</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>368,965</td>
<td>1,169,062</td>
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</table>

**NET ASSETS:**

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted Net Assets of activities</td>
<td>439,168</td>
<td>379,796</td>
</tr>
<tr>
<td><strong>Total Net Assets</strong></td>
<td>439,168</td>
<td>379,796</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES AND NET ASSETS</strong></td>
<td>808,133</td>
<td>1,548,858</td>
</tr>
</tbody>
</table>

The notes to the financial statements form an integral part thereof.
Community, Energy and Technology in the Middle East  
(Comet-ME)  
Statement of Activities

<table>
<thead>
<tr>
<th>Note</th>
<th>2015 NIS</th>
<th>2014 NIS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>GROSS INCOME FROM ACTIVITIES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>INCOME</td>
<td>(5)</td>
<td>4,676,995</td>
</tr>
<tr>
<td><strong>COST OF ACTIVITIES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and Benefits</td>
<td>(6)</td>
<td>798,934</td>
</tr>
<tr>
<td>Material Costs</td>
<td></td>
<td>2,650,258</td>
</tr>
<tr>
<td>Service Providers</td>
<td>(7)</td>
<td>500,368</td>
</tr>
<tr>
<td><strong>Total Cost of Activities</strong></td>
<td></td>
<td>3,949,560</td>
</tr>
<tr>
<td><strong>Net Income from Activities</strong></td>
<td></td>
<td>727,435</td>
</tr>
<tr>
<td>General and Administrative Expenses</td>
<td>(8)</td>
<td>665,230</td>
</tr>
<tr>
<td><strong>Net Income (Expense) Before Financial Expenses</strong></td>
<td></td>
<td>62,205</td>
</tr>
<tr>
<td>Financial (Expenses) Income, Net</td>
<td></td>
<td>(2,833)</td>
</tr>
<tr>
<td><strong>Net Income After Financial Expenses</strong></td>
<td></td>
<td>59,372</td>
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</tbody>
</table>

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 – Tsafririm.  
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:

<table>
<thead>
<tr>
<th></th>
<th>31 December</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2015</td>
</tr>
<tr>
<td>Consumer price index (average base 1998)</td>
<td>139.9</td>
</tr>
<tr>
<td>EURO currency (N.I.S for 1 Euro)</td>
<td>3.902</td>
</tr>
<tr>
<td>U.S Dollar</td>
<td>4.246</td>
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</table>

3. Fixed Assets:

<table>
<thead>
<tr>
<th></th>
<th>Accumulated</th>
<th>31 December</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cost</td>
<td>Depreciation</td>
</tr>
<tr>
<td></td>
<td>NIS</td>
<td>NIS</td>
</tr>
<tr>
<td>Leasehold Improvements</td>
<td>64,684</td>
<td>20,999</td>
</tr>
<tr>
<td>Machinery and Equipment</td>
<td>132,706</td>
<td>58,541</td>
</tr>
<tr>
<td></td>
<td><strong>197,390</strong></td>
<td><strong>79,540</strong></td>
</tr>
</tbody>
</table>

4. Creditors and Accounts Payables:

<table>
<thead>
<tr>
<th></th>
<th>31 December</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2015</td>
</tr>
<tr>
<td></td>
<td>NIS</td>
</tr>
<tr>
<td>Other creditors</td>
<td>29,874</td>
</tr>
<tr>
<td>Income in advance *</td>
<td>318,514</td>
</tr>
<tr>
<td>Institutions</td>
<td>8,051</td>
</tr>
<tr>
<td></td>
<td><strong>356,439</strong></td>
</tr>
</tbody>
</table>

*The article income in advance includes income received at the current year for activities to be implemented in the year after.
5. Gross Income:

<table>
<thead>
<tr>
<th></th>
<th>31 December</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2015</td>
<td>2014</td>
<td></td>
</tr>
<tr>
<td></td>
<td>NIS</td>
<td>NIS</td>
<td></td>
</tr>
<tr>
<td>Donations from foreign funds *</td>
<td>4,617,346</td>
<td>2,387,452</td>
<td></td>
</tr>
<tr>
<td>Local private donations</td>
<td>20,100</td>
<td>14,660</td>
<td></td>
</tr>
<tr>
<td>Income from current activities</td>
<td>39,549</td>
<td>16,660</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>4,676,995</strong></td>
<td><strong>2,418,772</strong></td>
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</table>

**Donations from Foreign Funds:**

<table>
<thead>
<tr>
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<th>31 December</th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2015</td>
<td>2014</td>
<td></td>
</tr>
<tr>
<td></td>
<td>NIS</td>
<td>NIS</td>
<td></td>
</tr>
<tr>
<td>Medico International – Germany</td>
<td>184,691</td>
<td>780,356</td>
<td></td>
</tr>
<tr>
<td>Swiss Olive Oil Campaign</td>
<td>167,265</td>
<td>164,541</td>
<td></td>
</tr>
<tr>
<td>European union</td>
<td>1,483,101</td>
<td>410,455</td>
<td></td>
</tr>
<tr>
<td>The Rockefeller brothers Foundation</td>
<td>197,377</td>
<td>172,900</td>
<td></td>
</tr>
<tr>
<td>Svenska</td>
<td>203,778</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Irish Aid</td>
<td>344,973</td>
<td>358,311</td>
<td></td>
</tr>
<tr>
<td>French Ministry of Foreign Affairs</td>
<td>-</td>
<td>5,391</td>
<td></td>
</tr>
<tr>
<td>Belgian Development Agency - BTC</td>
<td>-</td>
<td>29,403</td>
<td></td>
</tr>
<tr>
<td>Ministry of Foreign Affairs of The Netherlands</td>
<td>1,805,093</td>
<td>166,086</td>
<td></td>
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<tr>
<td>The Osprey Foundation</td>
<td>179,168</td>
<td>19,544</td>
<td></td>
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<tr>
<td>Minax Uriel</td>
<td>7,438</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>PSCC</td>
<td>22,711</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Other funds from abroad</td>
<td>21,752</td>
<td>5,773</td>
<td></td>
</tr>
<tr>
<td><strong>Total Donations from Foreign Funds</strong></td>
<td><strong>4,617,346</strong></td>
<td><strong>2,387,452</strong></td>
<td></td>
</tr>
</tbody>
</table>
6. Salaries And Benefits

<table>
<thead>
<tr>
<th></th>
<th>31 December</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2015</td>
<td>2014</td>
<td></td>
</tr>
<tr>
<td>Salaries and Benefits</td>
<td>NIS</td>
<td>NIS</td>
<td></td>
</tr>
<tr>
<td>Payroll Service Providers</td>
<td>331,409</td>
<td>342,153</td>
<td></td>
</tr>
<tr>
<td></td>
<td>467,525</td>
<td>273,503</td>
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</tr>
<tr>
<td></td>
<td>798,934</td>
<td>615,656</td>
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</table>

7. Service Provider’s

<table>
<thead>
<tr>
<th></th>
<th>31 December</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2015</td>
<td>2014</td>
<td></td>
</tr>
<tr>
<td>Technical coordinator</td>
<td>NIS</td>
<td>NIS</td>
<td></td>
</tr>
<tr>
<td>Community Organizer</td>
<td>296,000</td>
<td>234,000</td>
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</tr>
<tr>
<td>Fundraiser</td>
<td>49,577</td>
<td>65,000</td>
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</tr>
<tr>
<td>Finance Manager</td>
<td>70,791</td>
<td>57,052</td>
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<tr>
<td></td>
<td>84,000</td>
<td>60,000</td>
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<tr>
<td></td>
<td><strong>500,368</strong></td>
<td><strong>416,052</strong></td>
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</table>

8. General and Administrative Expenses:

<table>
<thead>
<tr>
<th></th>
<th>31 December</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2015</td>
<td>2014</td>
<td></td>
</tr>
<tr>
<td>Audit and Bookkeeping Expenses</td>
<td>NIS</td>
<td>NIS</td>
<td></td>
</tr>
<tr>
<td>Travel Expenses</td>
<td>20,414</td>
<td>17,500</td>
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<tr>
<td>Office Supplies Expenses</td>
<td>322,453</td>
<td>301,674</td>
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<tr>
<td>Communication Expenses</td>
<td>7,980</td>
<td>2,946</td>
<td></td>
</tr>
<tr>
<td>Fees and Membership</td>
<td>23,495</td>
<td>21,312</td>
<td></td>
</tr>
<tr>
<td>Legal Expenses</td>
<td>1,158</td>
<td>1,369</td>
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</tr>
<tr>
<td>Refreshments Expenses</td>
<td>162,943</td>
<td>124,243</td>
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</tr>
<tr>
<td>Printing and Publications Expenses</td>
<td>10,787</td>
<td>7,222</td>
<td></td>
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<tr>
<td>Depreciation Expenses</td>
<td>30,925</td>
<td>14,779</td>
<td></td>
</tr>
<tr>
<td>Travel Abroad Expenses</td>
<td>22,060</td>
<td>21,332</td>
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</tr>
<tr>
<td>Professional Education</td>
<td>26,507</td>
<td>31,797</td>
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</tr>
<tr>
<td>Business &amp; equipment maintenance</td>
<td>5,150</td>
<td>12,093</td>
<td></td>
</tr>
<tr>
<td></td>
<td>31,358</td>
<td>18,399</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>665,230</strong></td>
<td><strong>574,666</strong></td>
<td></td>
</tr>
</tbody>
</table>