

“COMET-ME”

Community, Energy and Technology In The Middle East

(Community Interest Company)

FINANCIAL STATEMENTS

As of December 31, 2020

August 19, 2021

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

FINANCIAL STATEMENTS

As of December 31, 2020

Contents

	<u>Page</u>
<u>Auditors' Report</u>	3
<u>Financial Statements</u>	
Balance Sheets	4
Statement of Activities	5
Statement in net assets	6
Statement of cash flows	7
Notes to the Financial Statements	8-11

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 2020 and 2019 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, 2020 and 2019 and the results of its operations, for the years then ended, on the basis of historical cost in nominal Israeli currency.

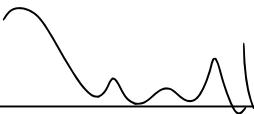

George Deek
Certified Public Accountant (Isr.)

Tel-Aviv-Jaffa
August 19, 2021


**Community, Energy and Technology in the Middle East
(Comet-ME)
Balance Sheet
As of 31 December 2020**

	<u>Note</u>	<u>2020</u> <u>NIS</u>	<u>2019</u> <u>NIS</u>
<u>ASSETS</u>			
<u>CURRENT ASSETS:</u>			
Income Receivable		901,629	-
Cash and Cash Equivalents		3,716,183	1,528,462
Other debts and debit balances	(3)	<u>92,566</u>	<u>736,287</u>
		<u>4,710,378</u>	<u>2,264,749</u>
FIXED ASSETS	(4)	<u>28,080</u>	<u>42,384</u>
TOTAL ASSETS		<u>4,738,458</u>	<u>2,307,133</u>
<u>LIABILITIES AND NET ASSETS</u>			
<u>CURRENT LIABILITIES:</u>			
Suppliers and Checks Payable		870,256	12,026
Creditors and Accounts Payable	(5)	<u>2,120,506</u>	<u>1,107,988</u>
Total Current Liabilities		<u>2,990,762</u>	<u>1,120,014</u>
<u>Long Term Liabilities</u>			
Employee benefit liabilities, net		<u>139,625</u>	<u>149,551</u>
Total Liabilities		<u>3,130,387</u>	<u>1,269,565</u>
<u>NET ASSETS:</u>			
Unrestricted Net Assets for activities		1,579,991	995,184
Net Assets used for Fixed Assets		<u>28,080</u>	<u>42,384</u>
		<u>1,608,071</u>	<u>1,037,568</u>
TOTAL LIABILITIES AND NET ASSETS		<u>4,738,458</u>	<u>2,307,133</u>

The notes to the financial statements form an integral part thereof



Director



Director

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

		<u>2020</u>	<u>2019</u>
	<u>Note</u>	<u>NIS</u>	<u>NIS</u>
<u>GROSS INCOME FROM ACTIVITIES:</u>			
Income from donations and activities	(6)	<u>10,832,883</u>	<u>9,703,392</u>
<u>COST OF ACTIVITIES:</u>			
Salaries and Benefits		(640,140)	(549,095)
Material Costs		(5,894,468)	(5,017,470)
Project Managers Salary and Maintenance		(917,795)	(1,278,855)
Service Providers	(7)	(784,025)	(696,632)
Research and Development Expenses	(8)	<u>(701,450)</u>	<u>(584,801)</u>
Total Cost of Activities		<u>(8,937,878)</u>	<u>(8,126,853)</u>
Net Income from Activities		1,895,005	1,576,539
General and Administrative Expenses	(9)	<u>(1,316,958)</u>	<u>(1,330,800)</u>
Net Income (Expense) Before Financial Expenses		578,047	245,739
Financial (Expenses) Income, Net		<u>(7,544)</u>	<u>(1,615)</u>
Net Income After Financial Expenses		<u>570,503</u>	<u>244,124</u>

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

Statement of Changes in Net Assets

	<u>Unrestricted</u>	<u>Net Assets used</u>	<u>Total</u>
	<u>Unrestricted Net Assets</u> <u>for activities</u>	<u>of Fixed Assets</u>	
<u>Balance at January 1, 2019</u>	736,337	57,107	793,444
<u>Additions during the year</u>			
Net Income for the year	244,124	-	244,124
<u>Subtractions during the year</u>			
Net assets released from unrestricted			
Unrestricted assets used for fixed assets	(5,376)	5,376	-
Amounts transferred for depreciation coverage	<u>20,099</u>	<u>(20,099)</u>	<u>-</u>
	<u>14,723</u>	<u>(14,723)</u>	<u>-</u>
Balance at December 31, 2019	995,184	42,384	1,037,568
<u>Additions during the year</u>			
Net Income for the year	<u>570,503</u>	<u>-</u>	<u>570,503</u>
<u>Subtractions during the year</u>			
Net assets released from unrestricted			
Unrestricted assets used for fixed assets	-	-	-
Amount transferred for depreciation coverage	<u>14,304</u>	<u>(14,304)</u>	<u>-</u>
	<u>14,304</u>	<u>(14,304)</u>	<u>-</u>
Balance at December 31, 2020	<u>1,579,991</u>	<u>28,080</u>	<u>1,608,071</u>

The notes to the financial statements form an integral part thereof

**Statements of Cash Flows
(Comet-ME)**

	2020	2019
	NIS	NIS
<u>Cash flows generated by operating Activities</u>		
Net Income	570,503	244,124
Adjustments to reconcile Net Income to net cash from operating activities:		
Income and expenses that do not involve cash flows	4,378	78,605
Changes in property items and liabilities	2,372,664	(980,242)
Total adjustments required to present cash flow from operating activities:	2,377,042	(901,637)
Net cash provided by Operating Activities	2,947,545	657,513
<u>Investing Activities</u>		
Fixed assets acquisition	-	(5,376)
Net cash provided by Investing Activities	-	(5,376)
Increase / Decrease in Cash and Cash Equivalents	2,947,545	(662,889)
Cash and Cash Equivalents for the beginning of the year	1,528,462	2,191,351
Cash and Cash Equivalents for the end of the year	4,476,007	1,528,462
	2020	2019
	NIS	NIS
<u>Income and expenses that do not involve cash flows</u>		
Depreciation and amortization	14,304	20,099
Increase in Employee benefit liabilities, net	(9,926)	58,506
	4,378	78,605
<u>Changes in property items and liabilities</u>		
Increase in Other debts and debit balances	2,402,985	(1,035,516)
Increase Creditors and Accounts Payable	(30,321)	55,274
	2,372,664	(980,242)
Total adjustments required to present cash flow from operating activities:	2,377,042	(901,637)

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>2020</u>	<u>2019</u>
Consumer price index (average base 1998)	141.3	142.1
EURO currency (N.I.S for 1 Euro)	3.9441	3.8782
U.S Dollar	3.2150	3.4560

3. Other debts and debit balances:

	<u>31 December</u>	
	<u>2020</u>	<u>2019</u>
	<u>NIS</u>	<u>NIS</u>
Employees	8,488	-
Advances to suppliers	56,668	709,027
Attorney deposit	<u>27,410</u>	<u>27,260</u>
	<u>92,566</u>	<u>736,287</u>

4. Fixed Assets:

	<u>Leasehold Improvement</u>	<u>Machinery and Equipment</u>	<u>Total</u>
	<u>NIS</u>	<u>NIS</u>	<u>NIS</u>
<u>Cost</u>			
Balance at January 1, 2020	64,684	152,822	217,506
Additions during the year	<u>-</u>	<u>-</u>	<u>-</u>
Balance at December 31, 2020	<u>64,684</u>	<u>152,822</u>	<u>217,506</u>
<u>Depreciation</u>			
Balance at January 1, 2020	46,872	128,250	175,122
Additions during the year	<u>6,468</u>	<u>7,836</u>	<u>14,304</u>
Balance at December 31, 2020	<u>53,340</u>	<u>136,086</u>	<u>189,426</u>
Reduced cost as of December 31,2020	<u>11,344</u>	<u>16,736</u>	<u>28,080</u>
Reduced cost as of December 31,2019	<u>17,812</u>	<u>24,572</u>	<u>42,384</u>

5. Creditors and Accounts Payables:

	<u>31 December</u>	
	<u>2020</u>	<u>2019</u>
	<u>NIS</u>	<u>NIS</u>
Expenses to pay	20,414	-
Income in advance *	2,011,322	983,725
Institutions	45,844	76,165
Employees	-	2,973
Other creditors	42,916	45,125
	<u>2,120,506</u>	<u>1,107,988</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>2020</u>	<u>2019</u>
	<u>NIS</u>	<u>NIS</u>
Donations from foreign funds	10,511,770	9,200,545
Income from current activities	321,113	502,847
	<u>10,832,883</u>	<u>9,703,392</u>

Donations from Foreign Funds:

	<u>31 December</u>	
	<u>2020</u>	<u>2019</u>
	<u>NIS</u>	<u>NIS</u>
Ministry of Foreign Affairs of The Netherlands	4,729,858	3,231,888
The Federal Republic of Germany	1,935,488	3,181,092
British Foreign and Common wealth office	2,659,142	1,539,677
Irish Aid	288,261	594,362
The Rockefeller Brothers Foundation	172,940	196,443
Dan Church Aid	159,520	155,582
The Osprey Foundation	316,573	144,228
Swiss Olive Oil Campaign	249,988	69,758
Other funds from abroad	-	87,515
<u>Total Donations from Foreign Funds</u>	<u>10,511,770</u>	<u>9,200,545</u>

The detailed income submitted by the Dutch Ministry of Foreign affairs as well as the Republic of Germany are after income in advance.

7. Service Provider's

	<u>31 December</u>	
	<u>2020</u>	<u>2019</u>
	<u>NIS</u>	<u>NIS</u>
Technical coordinator	(458,500)	(420,000)
Fundraiser	(175,225)	(168,632)
Finance Manager	(150,300)	(108,000)
	<u>(784,025)</u>	<u>(696,632)</u>

8. Research and Development Expenses

	<u>31 December</u>	
	<u>2020</u>	<u>2019</u>
	<u>NIS</u>	<u>NIS</u>
Research and Development Expenses	(701,450)	(584,801)

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

9. General and Administrative Expenses:

	<u>31 December</u>	
	<u>2020</u>	<u>2019</u>
	<u>NIS</u>	<u>NIS</u>
Management Salary	414,263	473,320
Communication Expenses	26,942	21,795
Office Supplies Expenses	13,081	15,013
Business & Equipment maintenance	19,648	68,350
Refreshments Expenses	6,699	15,192
Travel Expenses	535,031	394,729
Travel Abroad Expenses	-	12,218
Fees and Membership	3,590	5,713
Professional Literature	-	7,750
Rental Expenses	31,765	-
Printing & advertising	6,078	-
Depreciation Expenses	14,304	20,099
Legal Expenses	203,409	273,207
Audit and Bookkeeping Expenses	42,148	23,414
	<u>(1,316,958)</u>	<u>(1,330,800)</u>