

“COMET-ME”

Community, Energy and Technology In The Middle East

(Community Interest Company)

FINANCIAL STATEMENTS

As of December 31, 2021

September 8,2022

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(Community Interest Company)

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As of December 31, 2021

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

1 ,Nahal Hbesour St.

טלפון : 03-5076811
03-6592163

רח' נחל הבשור 1

Tel Aviv - Jaffa

פקס : 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 2021 and 2020 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, 2021 and 2020 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
July 7, 2022

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

Balance Sheet

As of 31 December 2021

	<u>Note</u>	<u>2021</u>	<u>2020</u>
		<u>NIS</u>	<u>NIS</u>
<u>ASSETS</u>			
<u>CURRENT ASSETS:</u>			
Income Receivable		975,849	901,629
Cash and Cash Equivalents		290,789	3,716,183
Other debts and debit balances	(3)	<u>306,504</u>	<u>92,566</u>
		<u>1,573,142</u>	<u>4,710,378</u>
FIXED ASSETS	(4)	<u>19,863</u>	<u>28,080</u>
TOTAL ASSETS		<u>1,593,005</u>	<u>4,738,458</u>
 <u>LIABILITIES AND NET ASSETS</u>			
<u>CURRENT LIABILITIES:</u>			
Suppliers and Checks Payable		446,888	870,256
Creditors and Accounts Payable	(5)	<u>316,532</u>	<u>2,120,506</u>
Total Current Liabilities		<u>763,420</u>	<u>2,990,762</u>
<u>Long Term Liabilities</u>			
Employee benefit liabilities, net		171,178	139,625
Total Liabilities		<u>934,598</u>	<u>3,130,387</u>
<u>NET ASSETS:</u>			
Unrestricted Net Assets for activities		638,544	1,579,991
Net Assets used for Fixed Assets		<u>19,863</u>	<u>28,080</u>
		<u>658,407</u>	<u>1,608,071</u>
TOTAL LIABILITIES AND NET ASSETS		<u>1,593,005</u>	<u>4,738,458</u>

The notes to the financial statements form an integral part thereof

Michal Givoni

Director

Director

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

		<u>2021</u>	<u>2020</u>
	<u>Note</u>	<u>NIS</u>	<u>NIS</u>
<u>GROSS INCOME FROM ACTIVITIES:</u>			
Income from donations and activities	(6)	<u>10,078,870</u>	<u>10,832,883</u>
<u>COST OF ACTIVITIES:</u>			
Salaries and Benefits		(547,391)	(640,140)
Material Costs		(6,117,025)	(5,894,468)
Project Managers Salary and Maintenance		(1,360,864)	(917,795)
Service Providers	(7)	(764,619)	(784,025)
Research and Development Expenses	(8)	<u>(831,939)</u>	<u>(701,450)</u>
Total Cost of Activities		<u>(9,621,838)</u>	<u>(8,937,878)</u>
Net Income from Activities		457,032	1,895,005
General and Administrative Expenses	(9)	<u>(1,403,973)</u>	<u>(1,316,958)</u>
Net Income (Expense) Before Financial Expenses		(946,941)	578,047
Financial (Expenses) Income, Net		<u>(2,723)</u>	<u>(7,544)</u>
Net Income After Financial Expenses		<u>(949,664)</u>	<u>570,503</u>

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

Statement of Changes in Net Assets

	<u>Unrestricted</u>	<u>Net Assets used of Fixed Assets</u>	<u>Total</u>
<u>Balance at January 1, 2020</u>	<u>Unrestricted Net Assets for activities</u>	<u>Net Assets used of Fixed Assets</u>	<u>Total</u>
	995,184	42,384	1,037,568
<u>Additions during the year</u>			
Net Income for the year	570,503	-	570,503
<u>Subtractions during the year</u>			
Net assets released from unrestricted			
Unrestricted assets used for fixed assets	-	-	-
Amounts transferred for depreciation coverage	<u>14,304</u>	<u>(14,304)</u>	-
	<u>14,304</u>	<u>(14,304)</u>	-
Balance at December 31, 2020	1,579,991	28,080	1,608,071
<u>Additions during the year</u>			
Net Income for year	(949,664)	=	(949,664)
<u>Subtractions during the year</u>			
Net assets released from unrestricted			
Unrestricted assets used for fixed assets(6,148)		6,148	-
Amount transferred for depreciation coverage	<u>14,365</u>	<u>(14,365)</u>	=
	8,217	(8,217)	
Balance at December 31, 2021	<u>638,544</u>	<u>19,863</u>	<u>658,407</u>

The notes to the financial statements form an integral part thereof

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

	2021	2020
	NIS	NIS
<u>Cash flows generated by operating Activities</u>		
Net Income	(949,664)	570,503
Adjustments to reconcile Net Income to net cash from operating activities:		
Income and expenses that do not involve cash flows	45,918	4,378
Changes in property items and liabilities	(2,515,500)	1,612,840
Total adjustments required to present cash flow from operating activities	(2,469,582)	1,617,218
Net cash provided by Operating Activities	(3,419,246)	2,187,721
<u>Investing Activities</u>		
Fixed assets acquisition	(6,148)	-
Net cash provided by Investing Activities	(6,148)	-
Increase / Decrease in Cash and Cash Equivale	(3,425,394)	2,187,721
Cash and Cash Equivalents for the beginning of the year	3,716,183	1,528,462
Cash and Cash Equivalents for the end of the year	290,789	3,716,183
	2021	2020
	NIS	NIS
<u>Income and expenses that do not involve cash flows</u>		
Depreciation and amortization	14,365	14,304
Increase in Employee benefit liabilities, net	31,553	(9,926)
	45,918	4,378
<u>Changes in property items and liabilities</u>		
Increase in Other debts and debit balances	(2,346,437)	1,492,868
Increase Creditors and Accounts Payable	(169,063)	119,972
	(2,515,500)	1,612,840
Total adjustments required to present cash flow from operating activities:	(2,469,582)	1,617,218

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>2021</u>	<u>2020</u>
Consumer price index (average base 2000)	102.6	99.8
EURO currency (N.I.S for 1 Euro)	3.5199	3.9441
U.S Dollar (N.I.S for 1 Dollar)	3.1100	3.2150

3. Other debts and debit balances:

	<u>31 December</u>	
	<u>2021</u>	<u>2020</u>
	<u>NIS</u>	<u>NIS</u>
Employees	-	8,488
Advances to suppliers	79,615	56,668
Attorney deposit	<u>26,889</u>	<u>27,410</u>
	<u>306,504</u>	<u>92,566</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, 2021	64,684	152,822	217,506
Additions during the year	<u>-</u>	<u>6,148</u>	<u>6,148</u>
Balance at December 31, 2021	<u>64,684</u>	<u>158,970</u>	<u>223,654</u>
<u>Depreciation</u>			
Balance at January 1, 2021	53,340	136,086	189,426
Additions during the year	<u>6,468</u>	<u>7,897</u>	<u>14,365</u>
Balance at December 31, 2021	<u>59,808</u>	<u>143,983</u>	<u>203,791</u>
Reduced cost as of December 31, 2021	<u>4,876</u>	<u>14,987</u>	<u>19,863</u>
Reduced cost as of December 31, 2020	<u>11,344</u>	<u>16,736</u>	<u>28,080</u>

5. Creditors and Accounts Payables:

	<u>31 December</u>	
	<u>2021</u>	<u>2020</u>
	<u>NIS</u>	<u>NIS</u>
Expenses to pay	-	20,414
Income in advance *	222,646	2,011,332
Institutions	27,074	45,844
Employees	2,391	-
Other creditors	<u>64,421</u>	<u>42,916</u>
	<u>316,532</u>	<u>2,120,506</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>2021</u>	<u>2020</u>
	<u>NIS</u>	<u>NIS</u>
Donations from foreign funds	9,597,396	10,511,770
Income from current activities	<u>481,474</u>	<u>321,113</u>
	<u>10,078,870</u>	<u>10,832,883</u>

Donations from Foreign Funds:

	<u>31 December</u>	
	<u>2021</u>	<u>2020</u>
	<u>NIS</u>	<u>NIS</u>
The Federal Republic of Germany	4,618,220	3,654,974
Ministry of Foreign Affairs of The Netherlands	2,065,476	3,010,372
British Foreign and Common wealth office	1,864,293	2,659,142
Center For Emerging Future	404,328	-
Irish Aid	281,057	288,261
The Rockefeller Brothers Foundation	160,855	172,940
Swiss Olive Oil Campaign	102,068	249,988
Rutli Stiftung	54,042	-
The Osprey Foundation	-	316,573
Dan Church Aid	-	159,520
Other funds from abroad	<u>47,057</u>	-
<u>Total Donations from Foreign Funds</u>	<u>9,597,396</u>	<u>10,511,770</u>

The detailed income submitted by the Netherland 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>2021</u>	<u>2020</u>
	<u>NIS</u>	<u>NIS</u>
Technical coordinator	(437,500)	(479,500)
Fundraiser	(196,619)	(175,225)
Finance Manager	(130,500)	(129,300)
	<u>(764,619)</u>	<u>(784,025)</u>

8. Research and Development Expenses

	<u>31 December</u>	
	<u>2021</u>	<u>2020</u>
	<u>NIS</u>	<u>NIS</u>
Research and Development Expenses	(831,939)	(701,450)

** 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>2021</u>	<u>2020</u>
	<u>NIS</u>	<u>NIS</u>
Management Salary	505,328	414,263
Communication Expenses	32,817	26,942
Office Supplies Expenses	8,551	13,081
Business & Equipment maintenance	15,338	19,648
Refreshments Expenses	24,926	6,699
Travel Expenses	564,864	535,031
Fees and Membership	4,718	3,590
Rental Expenses	37,100	31,765
Printing & advertising	16,040	6,078
Depreciation Expenses	14,365	14,304
Legal Expenses	158,826	203,409
Audit and Bookkeeping Expenses	21,100	42,148
	<u>(1,403,973)</u>	<u>(1,316,958)</u>