

“COMET-ME”

Community, Energy and Technology In The Middle East

(Community Interest Company)

FINANCIAL STATEMENTS

As of December 31, 2022

September 26, 2023,

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

FINANCIAL STATEMENTS

As of December 31, 2022

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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 2022 and 2021 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, 2022 and 2021 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 26, 2023

Community, Energy and Technology in the Middle East
(Comet-ME)
Balance Sheet
As of 31 December 2022

	<u>Note</u>	<u>2022</u>	<u>2021</u>
		<u>NIS</u>	<u>NIS</u>
<u>ASSETS</u>			
<u>CURRENT ASSETS:</u>			
Income Receivable		217,074	975,849
Cash and Cash Equivalents		1,949,678	290,789
Other debts and debit balances	(3)	<u>135,134</u>	<u>306,504</u>
		<u>2,301,886</u>	<u>1,573,142</u>
FIXED ASSETS	(4)	<u>34,293</u>	<u>19,863</u>
TOTAL ASSETS		<u>2,336,179</u>	<u>1,593,005</u>
 <u>LIABILITIES AND NET ASSETS</u>			
<u>CURRENT LIABILITIES:</u>			
Suppliers and Checks Payable		363,017	446,888
Creditors and Accounts Payable	(5)	<u>971,292</u>	<u>316,532</u>
Total Current Liabilities		<u>1,334,309</u>	<u>763,420</u>
<u>Long Term Liabilities</u>			
Employee benefit liabilities, net	(6)	<u>205,661</u>	<u>171,178</u>
Total Liabilities		<u>1,539,970</u>	<u>934,598</u>
<u>NET ASSETS:</u>			
Unrestricted Net Assets for activities		761,900	638,544
Net Assets used for Fixed Assets		<u>34,309</u>	<u>19,863</u>
		<u>796,209</u>	<u>658,407</u>
TOTAL LIABILITIES AND NET ASSETS		<u>2,336,179</u>	<u>1,593,005</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>Note</u>	<u>2022</u>	<u>2021</u>
		<u>NIS</u>	<u>NIS</u>
<u>GROSS INCOME FROM ACTIVITIES:</u>			
Income from donations and activities	(7)	<u>12,293,851</u>	<u>10,078,870</u>
<u>COST OF ACTIVITIES:</u>			
Salaries and Benefits		(503,540)	(547,391)
Material Costs		(6,668,478)	(6,117,025)
Project Managers Salary and Maintenance		(1,765,001)	(1,360,864)
Service Providers	(8)	(745,431)	(764,619)
Research and Development Expenses	(9)	(777,689)	(831,939)
Total Cost of Activities		<u>(10,460,139)</u>	<u>(9,621,838)</u>
Net Income from Activities		1,833,712	457,032
General and Administrative Expenses	(10)	<u>(1,679,855)</u>	<u>(1,403,973)</u>
Net Income (Expense) Before Financial Expenses		153,857	(946,941)
Financial (Expenses) Income, Net		<u>(16,055)</u>	<u>(2,723)</u>
Net Income After Financial Expenses		<u>137,802</u>	<u>(949,664)</u>

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

Statement of Changes in Net Assets

	<u>Unrestricted</u>		
	<u>Unrestricted Net Assets for activities</u>	<u>Net Assets used of Fixed Assets</u>	<u>Total</u>
Balance at January 1, 2021	1,579,991	28,080	1,608,071
<u>Additions during the year</u>			
Net Income for the 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	-
Amounts transferred for depreciation coverage	14,365	(14,365)	-
	8,217	(8,217)	-
Balance at December 31, 2021	638,544	19,863	658,407
<u>Additions during the year</u>			
Net Income for year	137,802	-	137,802
<u>Subtractions during the year</u>			
Net assets released from unrestricted			
Unrestricted assets used for fixed assets	(26,845)	26,845	-
Arising from the sale of fixed assets	(8)	8	-
Amount transferred for depreciation coverage	12,407	(12,407)	-
	(14,446)	14,446	-
Balance at December 31, 2022	761,900	34,309	796,209

The notes to the financial statements form an integral part thereof

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

	2022	2021
	NIS	NIS
<u>Cash flows generated by operating Activities</u>		
Net Income	137,802	(949,664)
Adjustments to reconcile <u>Net Income to net cash from operating activities:</u>		
Income and expenses that do not involve cash flows	46,890	45,918
Changes in property items and liabilities	1,501,034	(2,515,500)
Total adjustments required to present cash flow from operating activities	1,547,924	(2,469,582)
Net cash provided by Operating Activities	1,685,726	(3,419,246)
<u>Investing Activities</u>		
Fixed assets acquisition	(26,837)	(6,148)
Net cash provided by Investing Activities	(26,837)	(6,148)
Increase / Decrease in Cash and Cash Equivalents	1,658,889	(3,425,394)
Cash and Cash Equivalents for the beginning of the year	290,789	3,716,183
Cash and Cash Equivalents for the end of the year	1,949,678	290,789
	2022	2021
	NIS	NIS
<u>Income and expenses that do not involve cash flows</u>		
Depreciation and amortization	12,407	14,365
Increase in Employee benefit liabilities, net	34,483	31,553
	46,890	45,918
<u>Changes in property items and liabilities</u>		
Increase in Other debts and debit balances	1,474,506	(2,346,437)
Increase Creditors and Accounts Payable	26,528	(169,063)
	1,501,034	(2,515,500)
Total adjustments required to present cash flow from operating activities:	1,547,924	(2,469,582)

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 economic 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>2022</u>	<u>2021</u>
Consumer price index (average base 2000)	108	102.6
EURO currency (N.I.S for 1 Euro)	3.5190	3.1100
U.S Dollar (N.I.S for 1 Dollar)	3.7535	3.5199

3. Other debts and debit balances:

	<u>31 December</u>	
	<u>2022</u>	<u>2021</u>
	<u>NIS</u>	<u>NIS</u>
Advances to suppliers	108,245	279,615
Attorney deposit	<u>26,889</u>	<u>26,889</u>
	<u>135,134</u>	<u>306,504</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	48,283	112,967
Additions during the year	<u>16,578</u>	<u>10,267</u>	<u>26,845</u>
Balance at December 31, 2021	<u>81,262</u>	<u>58,550</u>	<u>139,812</u>
<u>Depreciation</u>			
Balance at January 1, 2021	59,810	33,302	93,112
Additions during the year	<u>4,576</u>	<u>7,831</u>	<u>12,407</u>
Balance at December 31, 2021	<u>64,386</u>	<u>41,133</u>	<u>105,519</u>
Reduced cost as of December 31,2022	<u>16,876</u>	<u>17,417</u>	<u>34,293</u>
Reduced cost as of December 31,2021	<u>4,876</u>	<u>14,987</u>	<u>19,863</u>

5. Creditors and Accounts Payables:

	<u>31 December</u>	
	<u>2022</u>	<u>2021</u>
	<u>NIS</u>	<u>NIS</u>
Income in advance *	898,960	222,646
Institutions	53,602	27,074
Employees	-	2,391
Other creditors	<u>18,730</u>	<u>64,421</u>
	<u>971,292</u>	<u>316,532</u>

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

6. Employee benefit liabilities, net

	<u>31 December</u>	
	<u>2022</u>	<u>2021</u>
	<u>NIS</u>	<u>NIS</u>
Net Liability due to retirement	<u>205,661</u>	<u>171,178</u>

* Net Liability due to retirement compensation expresses the balance of the liability that is not covered by deposits/insurance policies

7. Gross Income:

	<u>31 December</u>	
	<u>2022</u>	<u>2021</u>
	<u>NIS</u>	<u>NIS</u>
Donations from foreign funds	11,806,993	9,597,396
Income from current activities	<u>486,858</u>	<u>481,474</u>
	<u>12,293,851</u>	<u>10,078,870</u>

Donations from Foreign Funds:

	<u>31 December</u>	
	<u>2022</u>	<u>2021</u>
British Foreign and Commonwealth office	4,443,172	1,864,293
The Federal Republic of Germany	3,561,322	4,618,220
Ministry of Foreign Affairs of the Netherlands	2,736,522	2,065,476
The Osprey Foundation	481,218	-
Irish AID	115,566	281,057
Threshold Foundation	110,105	-
Swiss Olive Oil Campaign	97,448	102,068
Center for Emerging Future	17,246	404,328
The Rockefeller Brothers Foundation	160,406	160,855
Rutli Stiftung	-	54,042
Other funds from abroad	<u>83,988</u>	<u>47,057</u>
<u>Total Donations from Foreign Funds</u>	<u>11,806,993</u>	<u>9,597,396</u>

8. Service Provider's

	<u>31 December</u>	
	<u>2022</u>	<u>2021</u>
	<u>NIS</u>	<u>NIS</u>
Technical coordinator	(434,581)	(437,500)
Fundraiser	(190,850)	(196,619)
Finance Manager	(120,000)	(130,500)
	<u>(745,431)</u>	<u>(764,619)</u>

9. Research and Development Expenses

	<u>31 December</u>	
	<u>2022</u>	<u>2021</u>
	<u>NIS</u>	<u>NIS</u>
Research and Development Expenses	<u>(777,689)</u>	<u>(831,939)</u>

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

10. General and Administrative Expenses:

	<u>31 December</u>	
	<u>2022</u>	<u>2021</u>
	<u>NIS</u>	<u>NIS</u>
Management Salary	474,942	505,328
Communication Expenses	43,381	32,817
Office Supplies Expenses	7,566	8,551
Business & Equipment maintenance	14,940	15,338
Refreshments Expenses	22,054	24,926
Travel Expenses	866,270	564,864
Fees and Membership	3,958	4,718
Rental Expenses	56,750	37,100
Printing & advertising	13,748	16,040
Further Training	11,300	-
Depreciation Expenses	12,407	14,365
Legal Expenses	99,944	158,826
Audit and Bookkeeping Expenses	<u>52,594</u>	<u>21,100</u>
	<u>(1,679,855)</u>	<u>(1,403,973)</u>