

“COMET-ME”

Community, Energy and Technology In The Middle East

(Community Interest Company)

FINANCIAL STATEMENTS

As of December 31, 2023

July 3, 2024

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(Community Interest Company)

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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 2023 and 2022 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, 2023 and 2022 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 3, 2024

Community, Energy and Technology in the Middle East
(Comet-ME)
Balance Sheet
As of 31 December 2023

	<u>Note</u>	<u>2023</u>	<u>2022</u>
		<u>NIS</u>	<u>NIS</u>
<u>ASSETS</u>			
<u>CURRENT ASSETS:</u>			
Income Receivable		0	217,074
Cash and Cash Equivalents		3,631,276	1,949,678
Other debts and debit balances	(3)	<u>42,784</u>	<u>135,134</u>
		<u>3,674,060</u>	<u>2,301,886</u>
FIXED ASSETS	(4)	<u>96,518</u>	<u>34,293</u>
TOTAL ASSETS		<u>3,770,578</u>	<u>2,336,179</u>
 <u>LIABILITIES AND NET ASSETS</u>			
<u>CURRENT LIABILITIES:</u>			
Suppliers and Checks Payable		169,867	363,017
Creditors and Accounts Payable	(5)	<u>2,163,600</u>	<u>971,292</u>
Total Current Liabilities		<u>2,333,467</u>	<u>1,334,309</u>
<u>Long Term Liabilities</u>			
Employee benefit liabilities, net	(6)	<u>213,603</u>	<u>205,661</u>
Total Liabilities		<u>2,547,070</u>	<u>1,539,970</u>
<u>NET ASSETS:</u>			
Unrestricted Net Assets for activities		1,126,990	761,900
Net Assets used for Fixed Assets		<u>96,518</u>	<u>34,309</u>
		<u>1,223,508</u>	<u>796,209</u>
TOTAL LIABILITIES AND NET ASSETS		<u>3,770,578</u>	<u>2,336,179</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>2023</u>	<u>2022</u>
		<u>NIS</u>	<u>NIS</u>
<u>GROSS INCOME FROM ACTIVITIES:</u>			
Income from donations and activities	(7)	<u>12,807,633</u>	<u>12,293,851</u>
<u>COST OF ACTIVITIES:</u>			
Salaries and Benefits		(695,328)	(503,540)
Material Costs		(6,649,666)	(6,668,478)
Project Managers Salary and Maintenance		(1,666,781)	(1,765,001)
Service Providers	(8)	(1,028,670)	(745,431)
Research and Development Expenses	(9)	(495,239)	(777,689)
Total Cost of Activities		<u>(10,535,684)</u>	<u>(10,460,139)</u>
Net Income from Activities		2,271,949	1,833,712
General and Administrative Expenses	(10)	(1,860,517)	(1,679,855)
Net Income (Expense) Before Financial Expenses		411,432	153,857
Financial (Expenses) Income, Net		<u>15,867</u>	<u>(16,055)</u>
Net Income After Financial Expenses		<u>427,299</u>	<u>137,802</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>of Fixed Assets</u>	
	<u>for activities</u>		
<u>Balance at January 1, 2022</u>	<u>638,544</u>	<u>19,863</u>	<u>658,407</u>
<u>Additions during the year</u>			
Net Income for the 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	-
Differences	(8)	8	-
Amounts transferred for depreciation coverage	<u>12,407</u>	<u>(12,407)</u>	-
	<u>(14,446)</u>	<u>14,446</u>	-
Balance at December 31, 2022	761,900	34,309	796,209
<u>Additions during the year</u>			
Net Income for year	<u>427,299</u>	-	<u>427,299</u>
<u>Subtractions during the year</u>			
Net assets released from unrestricted			
Unrestricted assets used for fixed assets	(72,962)	72,962	-
Arising from the sale of fixed assets	17	(17)	-
Amount transferred for depreciation coverage	<u>10,736</u>	<u>(10,736)</u>	-
	<u>(62,209)</u>	<u>62,209</u>	-
Balance at December 31, 2023	<u>1,126,990</u>	<u>96,518</u>	<u>1,223,508</u>

The notes to the financial statements form an integral part thereof

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

	2023	2022
	NIS	NIS
<u>Cash flows generated by operating Activities</u>		
Net Income	427,299	137,802
Adjustments to reconcile <u>Net Income to net cash from operating activities:</u>		
Income and expenses that do not involve cash flows	18,678	46,890
Changes in property items and liabilities	1,308,582	1,501,034
Total adjustments required to present cash flow from operating activities	1,327,260	1,547,924
Net cash provided by Operating Activities	1,754,559	1,685,726
<u>Investing Activities</u>		
Fixed assets acquisition	(72,961)	(26,837)
Net cash provided by Investing Activities	(72,961)	(26,837)
Increase / Decrease in Cash and Cash Equivalents	1,681,598	658,889
Cash and Cash Equivalents for the beginning of the year	1,949,678	290,789
Cash and Cash Equivalents for the end of the year	3,631,276	1,949,678
	2023	2022
	NIS	NIS
<u>Income and expenses that do not involve cash flows</u>		
Depreciation and amortization	10,736	12,407
Increase in Employee benefit liabilities, net	7,942	34,483
	18,678	46,890
<u>Changes in property items and liabilities</u>		
Increase in Other debts and debit balances	44,080	1,474,506
Increase Creditors and Accounts Payable	1,264,502	26,528
	1,308,582	1,501,034
Total adjustments required to present cash flow from operating activities:	1,327,260	1,547,924

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 – Tsafirrim.

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>2023</u>	<u>2022</u>
Consumer price index (average base 2000)	105	102
EURO currency (N.I.S for 1 Euro)	3.6270	3.5190
U.S Dollar (N.I.S for 1 Dollar)	4.0116	3.7535

3. Other debts and debit balances:

	<u>31 December</u>	
	<u>2023</u>	<u>2022</u>
	<u>NIS</u>	<u>NIS</u>
Advances to suppliers	-	108,245
Employees	25,000	-
Attorney deposit	<u>17,784</u>	<u>26,889</u>
	<u>42,784</u>	<u>135,134</u>

4. Fixed Assets:

	<u>Patent</u>	<u>Leasehold</u>	<u>Machinery and</u>	
	<u>NIS</u>	<u>Improvement</u>	<u>Equipment</u>	<u>Total</u>
	<u>NIS</u>	<u>NIS</u>	<u>NIS</u>	<u>NIS</u>
<u>Cost</u>				
Balance at January 1, 2023	0	23,281	46,013	69,294
Additions during the year	<u>58,162</u>	<u>0</u>	<u>14,800</u>	<u>72,962</u>
Balance at December 31, 2023	<u>58,162</u>	<u>23,281</u>	<u>60,813</u>	<u>142,256</u>
<u>Depreciation</u>				
Balance at January 1, 2023	0	6,405	28,597	35,002
Additions during the year		<u>1,950</u>	<u>8,786</u>	<u>10,736</u>
Balance at December 31, 2023	0	<u>8,355</u>	<u>37,383</u>	<u>45,738</u>
Reduced cost as of December 31,2023	<u>58,162</u>	<u>14,926</u>	<u>23,430</u>	<u>96,518</u>
Reduced cost as of December 31,2022	<u>0</u>	<u>16,876</u>	<u>17,417</u>	<u>34,293</u>

5. Creditors and Accounts Payables:

	<u>31 December</u>	
	<u>2023</u>	<u>2022</u>
	<u>NIS</u>	<u>NIS</u>
Expenses to pay *	1,293,427	0
Income in advance **	825,807	898,960
Institutions	24,677	53,602
Other creditors	<u>19,689</u>	<u>18,730</u>
	<u>2,163,600</u>	<u>971,292</u>

* The article expenses to pay consists of amounts that were incurred at the current year and paid the year after.

**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>2023</u>	<u>2022</u>
	<u>NIS</u>	<u>NIS</u>
Net Liability due to retirement	<u>213,603</u>	<u>205,661</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>2023</u>	<u>2022</u>
	<u>NIS</u>	<u>NIS</u>
Donations from foreign funds	12,375,945	11,806,993
Income from current activities	<u>431,688</u>	<u>486,858</u>
	<u>12,807,633</u>	<u>12,293,851</u>

<u>Donations from Foreign Funds:</u>	<u>31 December</u>	
	<u>2023</u>	<u>2022</u>
British Foreign and Commonwealth office	4,857,896	4,443,172
The Federal Republic of Germany	4,949,680	3,561,322
Ministry of Foreign Affairs of the Netherlands	1,590,390	2,736,522
The Osprey Foundation	-	481,218
Irish AID	531,982	115,566
Threshold Foundation	79,736	110,105
Swiss Olive Oil Campaign	80,708	97,448
Center for Emerging Future	-	17,246
The Rockefeller Brothers Foundation	182,445	160,406
Ministry of foreign affairs- New Zealand	46,533	-
Other funds from abroad	<u>56,575</u>	<u>83,988</u>
<u>Total Donations from Foreign Funds</u>	<u>12,375,945</u>	<u>11,806,993</u>

8. Service Provider's

	<u>31 December</u>	
	<u>2023</u>	<u>2022</u>
	<u>NIS</u>	<u>NIS</u>
Technical coordinator	(458,338)	(434,581)
Fundraiser	(276,142)	(190,850)
Finance Manager	(294,190)	(120,000)
	<u>(1,028,670)</u>	<u>(745,431)</u>

9. Research and Development Expenses

	<u>31 December</u>	
	<u>2023</u>	<u>2022</u>
	<u>NIS</u>	<u>NIS</u>
Research and Development Expenses	<u>(495,239)</u>	<u>(777,689)</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>2023</u>	<u>2022</u>
	<u>NIS</u>	<u>NIS</u>
Management Salary	479,883	474,942
Rental expenses	66,000	56,750
Communication Expenses	46,532	43,381
Office Supplies Expenses	-	7,566
Business & Equipment maintenance	43,664	14,940
Refreshments Expenses	6,238	22,054
Travel Expenses	827,210	866,271
Travel abroad	9,588	-
Printing and advertising	25,565	13,748
Fees and Membership	1,291	3,958
Further Training	16,210	11,300
Depreciation Expenses	10,736	12,407
Legal Expenses	239,726	99,944
Professionalism	23,858	-
Audit and Bookkeeping Expenses	<u>64,016</u>	<u>52,594</u>
	<u>(1,860,517)</u>	<u>(1,679,855)</u>