

PALESTINIAN CENTRE FOR HUMAN RIGHTS

FINANCIAL STATEMENTS  
DECEMBER 31, 2007

## **Independent Auditors' Report to the Board of Directors of the Palestinian Centre for Human Rights**

We have audited the accompanying financial statements of the Palestinian Centre for Human Rights (PCHR), which comprise the statement of financial position as of December 31, 2007, and the statement of activities and changes in net assets, and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Palestinian Centre for Human Rights as of December 31, 2007 and the results of its activities and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

A handwritten signature in blue ink that reads "Ernst + Young".

Gaza, Palestine  
September 7, 2008

PALESTINIAN CENTRE FOR HUMAN RIGHTS

---

**STATEMENT OF FINANCIAL POSITION**

December 31, 2007

	Notes	<u>2007</u> U.S. \$	<u>2006</u> U.S. \$
<b><u>ASSETS</u></b>			
<b>Non-current Assets</b>			
Property and equipment	3	<u>47,525</u>	<u>56,235</u>
		<u>47,525</u>	<u>56,235</u>
<b>Current Assets</b>			
Contributions receivable	4	1,001,938	1,333,779
Other current assets	5	14,437	22,736
Cash and cash equivalents	6	<u>147,584</u>	<u>188,449</u>
		<u>1,163,959</u>	<u>1,544,964</u>
<b>TOTAL ASSETS</b>		<u>1,211,484</u>	<u>1,601,199</u>
<b><u>NET ASSETS AND LIABILITIES</u></b>			
<b>Net Assets</b>			
Unrestricted net assets		<u>30,569</u>	<u>148,418</u>
<b>Total Net Assets</b>		<u>30,569</u>	<u>148,418</u>
<b>Non-current liabilities</b>			
Deferred revenues	7	<u>29,972</u>	<u>31,645</u>
		<u>29,972</u>	<u>31,645</u>
<b>Current liabilities</b>			
Temporarily restricted contributions	8	983,006	1,351,449
Other current liabilities	9	<u>167,937</u>	<u>69,687</u>
		<u>1,150,943</u>	<u>1,421,136</u>
<b>Total Liabilities</b>		<u>1,180,915</u>	<u>1,452,781</u>
<b>Total Net Assets and Liabilities</b>		<u>1,211,484</u>	<u>1,601,199</u>

---

The attached notes 1 to 16 form part of these financial statements.

PALESTINIAN CENTRE FOR HUMAN RIGHTS

**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**

Year Ended December 31, 2007

	<u>Notes</u>	<u>2007</u> U.S. \$	<u>2006</u> U.S. \$
<b><u>Revenues</u></b>			
Temporarily restricted contributions released from restrictions	8	1,150,965	1,537,886
Deferred revenues recognized	7	9,023	7,000
Unrestricted contributions	10	296,331	138,988
Currency exchange gain		12,891	25,485
<b>Total revenues</b>		<u>1,469,210</u>	<u>1,709,359</u>
<b><u>Expenses</u></b>			
Programs	11	1,146,535	1,168,672
Administrative and general	11	403,587	373,378
Depreciation	3	36,937	45,289
<b>Total expenses</b>		<u>1,587,059</u>	<u>1,587,339</u>
<b>(Decrease) increase in net assets</b>		(117,849)	122,020
Net assets, beginning of year		<u>148,418</u>	<u>26,398</u>
<b>Net assets, end of year</b>		<u>30,569</u>	<u>148,418</u>

The attached notes 1 to 16 form part of these financial statements.

PALESTINIAN CENTRE FOR HUMAN RIGHTS

---

CASH FLOW STATEMENT

Year Ended December 31, 2007

	<u>2007</u>	<u>2006</u>
	<u>U.S. \$</u>	<u>U.S. \$</u>
<b><u>Operating activities</u></b>		
(Decrease) increase in net assets	(117,849)	122,020
<b>Adjustments:</b>		
Depreciation	36,937	45,289
Deferred revenues recognized	(9,023)	(7,000)
	<u>(89,935)</u>	<u>160,309</u>
<b>Changes in working capital:</b>		
Contributions receivable	331,841	(121,431)
Other current assets	8,299	(974)
Temporarily restricted contributions	(361,093)	(392,324)
Other current liabilities	98,250	(14,364)
<b>Net cash flows used in operating activities</b>	<u>(12,638)</u>	<u>(368,784)</u>
<b><u>Investing activities</u></b>		
Purchase of property and equipment	<u>(28,227)</u>	<u>(46,743)</u>
<b>Net cash flows used in investing activities</b>	<u>(28,227)</u>	<u>(46,743)</u>
<b>Decrease in cash and cash equivalents</b>	(40,865)	(415,527)
Cash and cash equivalents, beginning of year	<u>188,449</u>	<u>603,976</u>
<b>Cash and cash equivalents, end of year</b>	<u>147,584</u>	<u>188,449</u>

---

The attached notes 1 to 16 form part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

December 31, 2007

**1. PCHR and its Activities**

The Palestinian Centre for Human Rights (PCHR) was established on April 1, 1995 and formally registered in Gaza City on August 10, 1995 as a not-for-profit company in accordance with the Companies' Law of 1929, with an authorized and subscribed share capital of 10,000 shares at U.S. \$ 1 par value for each share, by a group of lawyers and human rights activists aiming at protecting human rights and promoting the rule of law in accordance with international standards. PCHR goals are to develop democratic institutions and an active civil society, while promoting democratic culture within the Palestinian society. PCHR has, in addition to its main office in Gaza city, offices in Jabalia, Khan Younis and Ramallah.

PCHR activities include monitoring, investigating and documenting human rights violations and extending the necessary consultation services to individuals and groups through conducting necessary researches in human rights agreements and international law.

The financial statements were authorized for issuance by PCHR's Board of Directors on September 7, 2008.

**2. Summary of Significant Accounting Policies**

**Basis of preparation**

The financial statements have been prepared under the historical cost convention in accordance with International Financial Reporting Standards.

The financial statements have been presented in U.S. Dollars (U.S. \$).

Currently, International Financial Reporting Standards do not include any specific requirements regarding the not-for-profit organizations in connection with the accounting policies or the presentation of the financial statements.

**Changes in accounting policies**

The accounting policies adopted are consistent with those of the previous financial year except that PCHR has adopted the following new and amended IFRS during the year. Adoption of these revised standards did not have any effect on the financial performance or position of PCHR. They did however give rise to additional disclosures:

*IFRS 7 Financial Instruments: Disclosures*

This standard requires disclosures that enable users of the financial statements to evaluate the significance of PCHR's financial instruments and the nature and extent of risks arising from those financial instruments. The new disclosures are included throughout the financial statements. While there has been no effect on the financial position or results of activities, comparative information has been revised where needed.

### **Donation revenues**

Donors' unconditional pledges are those pledges where donors do not specify prerequisites that have to be carried out by the recipient before obtaining the fund.

Donation revenues from unconditional pledges are recognized as follows:

- Unconditional pledges that are not restricted for a specific purpose or time are recognized when the pledge is obtained.
- Unconditional pledges that are temporarily restricted by the donor for a specific purpose or time are recognized when such purpose or time is satisfied.

### **Deferred revenues**

Donations related to property and equipment are stated at fair value, recorded as deferred revenues, and recognized as income on a systematic basis over the useful life of the property and equipment.

### **Expenses recognition**

Expenses are recognized when incurred based on the accrual basis of accounting.

### **Impairment and uncollectibility of financial assets**

An assessment is made at each statement of financial position date to determine whether there is objective evidence that a specific financial asset may be impaired. If such evidence exists, any impairment loss is recognized in the statement of activities and changes in net assets. Impairment is determined as follows:

- For assets carried at fair value, impairment is the difference between cost and fair value, less any impairment loss previously recognized in the statement of activities and changes in net assets;
- For assets carried at cost, impairment is the difference between carrying value and the present value of future cash flows discounted at the current market rate of return for a similar financial asset;
- For assets carried at amortized cost, impairment is the difference between carrying amount and the present value of future cash flows discounted at the original effective interest rate

### **Cash and cash equivalent**

Cash and cash equivalent comprise cash on hand and bank balances.

### **Contributions receivable**

Contributions receivable are stated at the original amount of the unconditional pledge less amounts received and any uncollectible pledges. An estimate for the uncollectible amount is made when the collection of full unconditional pledge is no longer probable.

### **Property and equipment**

Property and equipment are stated at cost less accumulated depreciation and any impairment in value.



Depreciation is calculated on a straight line basis over the estimated useful lives of the assets as follows:

	<u>Years</u>
Furniture and fixtures	10
Office equipment	6.67
Computers	4
Motor vehicle	6.67
Library books	10

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any of such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

Expenditures incurred to replace a component of an item of property and equipment that is accounted for separately is capitalized and the carrying amount of the component that is replaced is written off. Other subsequent expenditures are capitalized only when they increase future economic benefits of the related item of property and equipment. All other expenditures are recognized in the statement of activities and changes in net assets as the expense is incurred.

#### **Income tax**

PCHR is a not-for-profit organization; accordingly, it is not subject to income tax.

#### **Accounts payable and accruals**

Liabilities are recognized for amounts to be paid in the future for goods or services received whether billed by the supplier or not.

#### **Provisions**

Provisions are recognized when PCHR has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation

#### **Employees' end of service benefits**

Employees' end of service benefits is calculated in accordance with the labor law prevailing in Palestine, and PCHR internal policies, based on one-month indemnity for each year of employment.

Contributions to a saving fund are made based on the employees' basic salary. The monthly contribution by the employee and the employer is set at 7% and 14% of the basic salary, respectively.

### **Judgements and estimation uncertainty**

PCHR's financial position and changes in net assets are sensitive to accounting methods, assumptions, estimates and judgments that underlie the preparation of the financial statements. PCHR bases its estimates on its past experience and on various other assumptions deemed reasonable, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Due to different assumptions and situations, the actual results may differ significantly from these estimates.

### **Foreign currency transactions**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the statement of financial position date. All differences are taken to the statement of activities and changes in net assets.

Exchange rates of U.S. \$ against the following currencies as of the statement of financial position date were as follows:

	<u>U.S. \$</u> <u>2007</u>	<u>U.S. \$</u> <u>2006</u>
One Israeli Shekel (ILS)	0.26	0.23
One European Monetary Unit (EURO)	1.47	1.31

### 3. Property and Equipment

	Furniture and fixtures U.S. \$	Office equipment U.S. \$	Computers U.S. \$	Motor vehicle U.S. \$	Library books U.S. \$	Total U.S. \$
Cost						
At January 1, 2007	93,943	188,053	141,663	35,000	51,234	509,893
Additions	5,047	7,313	15,796	-	71	28,227
At December 31, 2007	<u>98,990</u>	<u>195,366</u>	<u>157,459</u>	<u>35,000</u>	<u>51,305</u>	<u>538,120</u>
Accumulated Depreciation						
At January 1, 2007	76,890	180,169	116,311	34,999	45,289	453,658
Depreciation	9,852	8,092	13,863	-	5,130	36,937
At December 31, 2007	<u>86,742</u>	<u>188,261</u>	<u>130,174</u>	<u>34,999</u>	<u>50,419</u>	<u>490,595</u>
Net carrying amount						
At December 31, 2007	<u>12,248</u>	<u>7,105</u>	<u>27,285</u>	<u>1</u>	<u>886</u>	<u>47,525</u>
	Furniture and fixtures U.S. \$	Office equipment U.S. \$	Computers U.S. \$	Motor vehicle U.S. \$	Library books U.S. \$	Total U.S. \$
Cost						
At January 1, 2006	91,492	167,640	118,069	35,000	50,949	463,150
Additions	2,451	20,413	23,594	-	285	46,743
At December 31, 2006	<u>93,943</u>	<u>188,053</u>	<u>141,663</u>	<u>35,000</u>	<u>51,234</u>	<u>509,893</u>
Accumulated Depreciation						
At January 1, 2006	67,571	165,336	100,279	34,999	40,184	408,369
Depreciation	9,319	14,833	16,032	-	5,105	45,289
At December 31, 2006	<u>76,890</u>	<u>180,169</u>	<u>116,311</u>	<u>34,999</u>	<u>45,289</u>	<u>453,658</u>
Net carrying amount						
At December 31, 2006	<u>17,053</u>	<u>7,884</u>	<u>25,352</u>	<u>1</u>	<u>5,945</u>	<u>56,235</u>

Property and equipment includes U.S. \$ 374,091 and U.S. \$ 279,644 of fully depreciated assets as of December 31, 2007 and 2006, respectively, that are still used in PCHR's activities.

#### 4. Contributions Receivable

Contributions receivable comprise unconditional pledges to give as of December 31, 2007. Details are as follows:

	Balance, January 1, 2007	Additions / (write off)	Currency difference	Cash received	Balance, December 31, 2007
	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$
European Commission (Via Oxfam NOVIB) and Oxfam NOVIB	286,218	-	56,580	117,315	225,483
Oxfam NOVIB	272,504	28,900	41,844	225,400	117,848
Mu'assasat Strengthening Human Rights and Good Governance	400,000	(300,000)	-	100,000	-
Dan Church Aid - Denmark	-	307,415	-	152,150	155,265
Al-Quds Association Malaga-Spain	56,904	-	-	28,880	28,024
ICON - Institute Public Sector GMBH	67,725	-	-	22,500	45,225
European Commission	69,903	(97,688)	27,785	-	-
Grassroots International	10,000	22,275	-	22,275	10,000
Christian Aid/Development Cooperation Ireland Multi Annual Partnership Scheme (MAPS)	102,400	-	10,844	54,320	58,924
Kvinna Till Kvinna Foundation	-	73,866	-	73,866	-
The Medical Aid for Palestinians (MAP-UK)	50,000	50,000	-	50,000	50,000
Welfare Association Consortium for the Management of the Palestinian NGO Project	13,500	-	-	10,800	2,700
Karim Rida Said Foundation	4,625	-	-	-	4,625
Foundation Open Society Institute	-	100,000	-	100,000	-
Representative Office of Nowrway to the Palestinian Authority	-	71,554	-	71,554	-
Denis O'brien	-	150,000	-	50,000	100,000
Care International	-	95,093	-	42,653	52,440
Swiss Agency for Development and Cooperation (SDC)	-	151,404	-	-	151,404
	<u>1,333,779</u>	<u>652,819</u>	<u>137,053</u>	<u>1,121,713</u>	<u>1,001,938</u>

## 5. Other current assets

	<u>2007</u>	<u>2006</u>
	U.S. \$	U.S. \$
Prepaid rent	668	7,167
Due from employees	10,528	12,328
Other	3,241	3,241
	<u>14,437</u>	<u>22,736</u>

## 6. Cash and cash equivalents

Cash and cash equivalents include the following:

	<u>2007</u>	<u>2006</u>
	U.S. \$	U.S. \$
Cash on hand	783	561
Cash at Banks	146,801	187,888
	<u>147,584</u>	<u>188,449</u>

## 7. Deferred revenues

This item represents property and equipment acquired out of the temporarily restricted contributions. Such property and equipment are recorded as deferred revenues and recognized as income on a systematic basis over the useful lives of the property and equipment. The movement on deferred revenues during the year was as follow:

	<u>2007</u>	<u>2006</u>
	U.S. \$	U.S. \$
Balance, beginning of the year	31,645	16,528
Additions (Note 8)	7,350	22,117
Deferred revenues recognized	(9,023)	(7,000)
Balance, end of year	<u>29,972</u>	<u>31,645</u>

## 8. Temporarily restricted contributions

This item comprises temporarily restricted contributions subject to purpose restriction. It represents the difference between the donation pledged and the expenditures made out to satisfy the purpose stipulated by the donor. Movement on temporarily restricted contributions during the year was as follows:

	Balance, January 1, 2007	Additions / (write off)	Currency difference	Temporarily restricted contribution released from restriction	Deferred revenue (Note 7)	Balance, December 31, 2007
	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$
European Commission (Via Oxfam NOVIB) and Oxfam NOVIB	308,803	-	56,580	131,741	-	233,642
Oxfam NOVIB	272,504	28,900	41,844	196,500	-	146,748
Mu'assasat Strengthening Human Rights and Good Governance	400,000	(300,000)	-	100,000	-	-
Dan Church Aid - Denmark	-	307,415	-	152,150	-	155,265
Al-Quds Association Malaga-Spain	-	-	-	-	-	-
ICON - Institute Public Sector GMBH	67,725	-	-	22,500	-	45,225
European Commission	142,193	(97,688)	27,785	72,290	-	-
Grassroots International	10,000	22,275	-	22,275	-	10,000
Christian Aid/Development Cooperation Ireland Multi Annual Partnership Scheme (MAPS)	122,400	-	10,844	74,320	-	58,924
Kvinna Till Kvinna Foundation	11,224	73,866	-	80,340	4,750	-
The Medical Aid for Palestinians (MAP-UK)	-	50,000	-	50,000	-	-
Welfare Association Consortium for the Management of the Palestinian NGO Project	16,600	-	-	13,900	-	2,700
Karim Rida Said Foundation	-	-	-	-	-	-
Foundation Open Society Institute Representative Office of Nowrway to the Palestinian Authority	-	100,000	-	100,000	-	-
Denis O'brien	-	71,554	-	71,554	-	-
Care International	-	150,000	-	50,000	-	100,000
Care International	-	95,093	-	13,395	2,600	79,098
Swiss Agency for Development and Cooperation (SDC)	-	151,404	-	-	-	151,404
	<u>1,351,449</u>	<u>652,819</u>	<u>137,053</u>	<u>1,150,965</u>	<u>7,350</u>	<u>983,006</u>

## 9. Other current liabilities

	<u>2007</u>	<u>2006</u>
	<u>U.S. \$</u>	<u>U.S. \$</u>
Due to employees' fund *	114,050	50,950
Accrued professional fees	8,143	11,050
Accrued employees' benefits	38,388	-
Accrued payroll tax	5,324	5,324
Accrued telephone expenses	927	935
Other	1,105	1,428
	<u>167,937</u>	<u>69,687</u>

\* PCHR maintains separate accounting records for both the provision for employees' indemnity and the saving fund, with a special bank account. The balance of this bank account was U.S. \$ 611,857 and U.S. \$ 627,684 as of December 31, 2007 and 2006, respectively.

## 10. Unrestricted contributions

Donors' unrestricted contributions during 2007 and 2006 comprise of the following:

	<u>2007</u>	<u>2006</u>
	<u>U.S. \$</u>	<u>U.S. \$</u>
The Swedish International Development Cooperation Agency (Sida)	100,387	-
Irish Aid/ Development Cooperation Ireland	116,035	127,000
Trocaire	72,474	-
Other donors	7,435	11,988
	<u>296,331</u>	<u>138,988</u>

## 11. Programs and administrative expenses

	2007			2006		
	Programs	Administrative & General	Total	Programs	Administrative & General	Total
	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$
Salaries	526,395	283,443	809,838	518,094	278,974	797,068
Saving fund	65,891	35,480	101,371	56,038	30,174	86,212
End of service benefit	42,088	22,662	64,750	34,504	18,579	53,083
Health insurance	28,710	15,460	44,170	28,331	15,255	43,586
International staff expense	4,446	2,399	6,845	8,592	4,636	13,228
Employees' benefits	31,534	17,015	48,549	-	-	-
Photocopying and printing costs	88,389	-	88,389	94,427	-	94,427
Professional and legal fees	153,650	-	153,650	169,520	-	169,520
Local transportation	35,423	6,252	41,675	29,045	5,126	34,171
Communication costs	43,285	7,639	50,924	42,273	7,460	49,733
Postage and courier	1,714	-	1,714	1,415	-	1,415
Training	-	-	-	1,629	-	1,629
Hosting seminars, conferences and workshops	14,549	-	14,549	76,257	-	76,257
Attending conferences and seminars	15,767	-	15,767	17,066	-	17,066
International travel	16,750	-	16,750	18,816	-	18,816
Hosting delegation	14,109	-	14,109	9,123	-	9,123
Rent	25,593	4,518	30,111	22,822	4,028	26,850
Utilities	9,763	1,723	11,486	8,569	1,512	10,081
Stationery	4,600	812	5,412	2,074	366	2,440
Office hospitality	10,300	1,817	12,117	6,463	1,140	7,603
Maintenance	4,908	866	5,774	5,716	1,009	6,725
Vehicle expenses	1,181	208	1,389	1,530	270	1,800
Building maintenance	3,751	662	4,413	5,574	984	6,558
Subscriptions	1,191	210	1,401	9,101	1,606	10,707
Bank charges	-	1,971	1,971	-	1,960	1,960
Miscellaneous	2,548	450	2,998	1,693	299	1,992
	<u>1,146,535</u>	<u>403,587</u>	<u>1,550,122</u>	<u>1,168,672</u>	<u>373,378</u>	<u>1,542,050</u>



## 12. Fair values of financial instruments

Financial instruments comprise financial assets and financial liabilities. Financial assets consist of cash and cash equivalents and contributions receivable. Financial liabilities consist of other current liabilities.

The fair values of financial instruments are not materially different from their carrying values.

## 13. Related party transactions

Related parties represent directors and key management personnel of PCHR, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by PCHR's management.

The statement of activities and changes in net assets includes the following related party transactions:

	<u>2007</u>	<u>2006</u>
	U.S. \$	U.S. \$
Compensation of key management personnel		
Salaries	<u>273,237</u>	<u>230,182</u>
End of service benefits and saving fund	<u>56,152</u>	<u>48,735</u>

## 14. Risk management

### Liquidity risk

PCHR limits its liquidity risk by maintaining adequate cash balances and fund from multiple donors to meet its current obligations and to finance its operating activities.

### Foreign currency risk

The table below indicates PCHR's foreign currency exposure, as a result of its monetary assets and liabilities. The analysis calculates the effect of a reasonably possible movement of the U.S. \$ currency rate against the EURO, Israeli Shekels (ILS) and other currencies with all other variables held constant, on the statement of activities and changes in net assets.

	Increase / decrease in EURO rate to U.S. \$	Effect on statement of activities and change in net assets for the year	Increase / decrease in ILS rate to U.S. \$	Effect on statement of activities and changes in net assets for the year
<b><u>2007</u></b>				
USD	+5%	5,587	+5%	(1,092)
USD	-5%	(5,587)	-5%	1,092
<b><u>2006</u></b>				
USD	+5%	8,952	+5%	(1,776)
USD	-5%	(8,952)	-5%	1,776

## **15. Subsequent events**

PCHR's general assembly in its meeting held on March 2, 2008 approved a decision to pay the subscribed capital of PCHR amounting to U.S. \$ 10,000.

## **16. Concentration of risk in geographic area**

PCHR is carrying out all of its activities in Palestine. The political and economical destabilization in the area increases the risk of carrying out activities and may adversely affect PCHR's performance.