

**Euro-Mediterranean Human Rights
Network**

Central Business Registration No: 25 15 54 67

Annual report 2012

Contents

	<u>Page</u>
Association details	1
Statement by Management on the annual report	2
Independent auditor's reports	3
Management commentary	5
Accounting policies	7
Income statement for 2012	8
Balance sheet at 31.12.2012	11
Notes	13

Association details

Association

Euro-Mediterranean Human Rights Network
Vestergade 16, 2.
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Denmark

Central Business Registration No: 25 15 54 67
Registered in: Copenhagen
Established: 1997

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Executive Committee

Michel Tubiana, President (France)
Nassera Dutour, Vice-President (Algeria)
Moataz El Fegiery, Treasurer (Egypt)
Anitta Kynsilehto (Finland)
Eugenia Papamakariou (Greece)
Isaías Barreñada (Spain)
Raffaella Bolini (Italy)
Søs Nissen (Denmark)
Alya Chammari (Tunisia)
Ayachi Hammami (Tunisia)
Mahmoud M. AbuRahma (Palestine)
Osman Isci (Turkey)

Executive Director

Marc Schade-Poulsen

Auditor

Deloitte Statsautoriseret Revisionspartnerselskab

The Annual Report was presented and adopted at the Executive Committee meeting on 24 November 2013.

Statement by Management on the annual report

We have today considered and adopted the annual report of the Euro-Mediterranean Human Rights Network for the financial year 1 January to 31 December 2012.

The annual report has been presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Association's financial position at 31 December 2012 and of the Association's financial performance for the financial year 1 January to 31 December 2012. Also, we believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

None of the Association's assets are pledged or burdened with owner reservation other than noted in the annual report, and there are no contingent liabilities which are not mentioned in the annual report.

Copenhagen, 18 October 2013

Executive Director

Marc Schade-Poulsen

Executive Committee

Michel Tubiana
President

Nassera Dutour
Vice-President

Moataz El Feghery
Treasurer

Anitta Kynsilehto

Eugenia Papamakariou

Isaías Barreñada

Raffaella Bolini

Søs Nissen

Alya Chammari

Ayachi Hammami

Mahmoud M. AbuRahma

Osman Isci

Independent auditor's reports

To the Board of the Euro-Mediterranean Human Rights Network Report on the financial statements

We have audited the financial statements of Euro-Mediterranean Human Rights Network for the financial year 1 January to 31 December 2012, which comprise the accounting policies, income statement, balance sheet and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 auditor's judgement, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Association's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association'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 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.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Association's financial position at 31 December 2012 and of the results of its operations for the financial year 1 January to 31 December 2012 in accordance with the Danish Act.

Emphasis of matter affecting the financial statements

Without qualifying our auditor's report, we point out the claim against a supplier mentioned in note 1 to the financial statements.

Independent auditor's reports

Statement on the management commentary

We have read the management commentary. We have not performed any further procedures in addition to the audit of the financial statements.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the financial statements.

Copenhagen, 18 October 2013

Deloitte

Statsautoriseret Revisionspartnerselskab

Christian Dalmose Pedersen
State Authorised Public Accountant

Management commentary

In Management's opinion, all information material to the assessment of the Association's financial position, the results for the year and the financial development is disclosed in the financial statements and in this report.

After the balance sheet date, no significant events have occurred which are considered to have a material effect on the assessment of the financial statements.

Main activity

The activity of the Association consists of protection and promotion of human rights in the Euro-Mediterranean region. For a further description of the activities, we refer to the EMHRN Annual Report of Activities 2012 which can be obtained at the office in Copenhagen.

The object of the Association is not to generate a profit and accumulate a larger equity.

The Association's aim is to carry out a balanced operation and live up to the requirements according to the grants received.

The financial development and activities during 2012

The minor plus the year is in accordance with expectations. The financial development fulfils the expectations from the previous year.

Claim against supplier

In 2012, the Association entered into a photocopier lease contract. It is Management's opinion, that the supplier - through fraud and non-transparent agreements - committed the Association to entering agreements in which there is a significant disparity between the value of the leased equipment and the commitment entered into by the Association. In consequence, the Association has requested a lawyer to issue a claim against the supplier with a view to receive compensation in the amount of EUR 84 thousand. The lawyer has stated that it is likely that the Court will side with EMHRN, but of course this is not to be taken for granted. At the presentation of the annual report, the Association has chosen to not to recognise the lease commitment.

Efficiency, productivity and equity

The annual report of activity shows that the EMHRN implemented its output commitments to donors with a high compliancy rate. Efficiency and productivity was ensured *inter alia* by carrying out meeting arrangements in line with donor requirements for per diems, accommodation and cheapest travel costs; ensuring that a minimum of three suppliers were consulted for contracts beyond EUR 5,000; and applying wage levels corresponding to trade union agreements with public bodies.

Management commentary (continued)

The current equity is on a level that corresponds to the fact that the EMHRN is a non-for-profit organisation basing its main revenues on taxpayer contributions through governmental and intergovernmental grants.

The EMHRN long-term strategy is to increase equity to a level allowing it to run independently for up to six months. In the meantime, deficits are avoided by weighing income against expenditure and matching employment as well as rent of offices accordingly.

The expected development

In 2012 the Association signed a two years contract with SIDA and Danida and Stiftung Open Society.

The level of activity is expected to increase compared with 2012 level a part from the fact that the EMHRN will not organise a large event as the 2012 General Assembly. Following meetings with the two core donors, DANIDA and SIDA, the EMHRN expect these to continue funding the EMHRN at least until the end of 2016 at a minimum at the current level of support.

Events after the balance sheet date

No other events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

Accounting policies

Basis of preparation

This annual report is prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class A enterprises. The accounting policy is unchanged compared to the previous year.

The annual report is presented in EUR based on an exchange rate of DKK 7.45.

Part of the Association's foreign currency accounts is in USD and DKK. The Association does not make hedging of the accounts, which means that currency risks are attached to the accounts.

In order to comply with the disclosure requirements from a few donors, the presentation of the income statement has been changed in 2012. Comparative figures have been adjusted.

Recognition and measurement

The financial statements have been prepared under the historical cost method.

Income is recognised as subsidies are received and used for the proper purposes. Furthermore, value adjustments of financial assets and liabilities, measured at fair value or amortised cost, are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the Association, and the value of the assets can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Association, and the value of the liability can be measured reliably.

Assets and liabilities are measured at cost.

Income statement and balance sheet

Income is recognised as projects are completed according to the percentage-of-completion method.

Expenses paid prior to receipt of subsidy commitments are capitalised. Income and expenses are recognised at the date of receipt of subsidy commitments and in the period to which the subsidy relates.

Plant and equipment are measured at cost minus accumulated depreciation.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when the asset is ready to be put into operation.

Accounting policies (continued)

The basis of depreciation is cost. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Computer equipment and other fixtures: 3 years

Debtors are valued according to an individual assessment of the creditworthiness of the debtors.

Liabilities are measured at nominal value.

Income statement for 2012

	Notes	2012 EUR	%	2011 EUR	%
Subsidies taken to income	2	3.058.648	99,4%	2.384.285	100,0%
Membership fees		18.960	0,6%	100	0,0%
Total operating income		3.077.608	100,0%	2.384.385	100,0%

Costs for activities and salaries in accordance to the Thematic and Country Approaches

1. Thematic Approaches	1.161.546	37,9%	926.270	38,9%
Freedom of Associations	199.448	6,5%	167.452	7,0%
Activity	88.162		52.624	
Activity staff	78.521		94.336	
Technical staff	32.765		20.492	
Justice	114.297	3,7%	60.423	2,5%
Activity	72.578		32.488	
Activity staff	38.063		24.349	
Technical staff	3.656		3.586	
Conflict situations	234.584	7,7%	212.950	8,9%
Activity	88.935		70.932	
Activity staff	131.463		128.356	
Technical staff	14.186		13.661	
Women's rights, Gender equality and ainstreaming	299.768	9,8%	212.081	8,9%
Activity	117.527		92.838	
Activity staff	146.250		87.118	
Technical staff	35.990		32.126	
The Rights of Migrants, Refugees ans Asylum Seekers	313.279	10,2%	273.197	11,5%
Activity	193.630		116.365	
Activity staff	85.598		109.132	
Technical staff	34.051		47.700	
Economic and Social Rights	171	0,0%	168	0,0%
Activity	0		0	
Activity staff	171		168	
Technical staff	0		0	

Income statement for 2012

Notes	2012 EUR	%	2011 EUR	%
2. Country Approaches	658.857	21,5%	555.149	23,3%
Tunisia	43.706	1,4%	191.422	8,0%
Activity	34.464		108.333	
Activity staff	2.634		47.649	
Technical staff	6.608		35.439	
Tunisia Mission	118.175	3,9%	172.306	7,2%
Activity	56.407		94.517	
Activity staff	51.102		71.759	
Technical staff	10.666		6.030	
Algeria	177.478	5,8%	57.426	2,4%
Activity	86.113		32.500	
Activity staff	66.398		14.295	
Technical staff	24.966		10.632	
Syria	319.498	10,4%	133.995	5,6%
Activity	213.027		75.833	
Activity staff	82.771		33.354	
Technical staff	23.700		24.807	
3. Capacity Building Activities	79.007	2,6%	82.563	3,5%
Training and HRE	79.007	2,6%	82.563	3,5%
Activity	32.527		28.546	
Activity staff	29.916		40.356	
Technical staff	16.564		13.661	
4. Advocacy	198.127	6,5%	209.041	8,8%
Activity	12.363		9.563	
Activity staff	132.798		141.707	
Technical staff	52.967		57.771	
5. Communications	110.022	3,6%	51.675	2,2%
Activity	36.547		30.294	
Activity staff	73.475		21.381	
Technical staff	0		0	
6. Members and partnership	5.767	0,2%	1.058	0,0%
Activity	5.767		1.058	
Activity staff	0		0	
Technical staff	0		0	
7. Executive Bodies	474.123	15,5%	243.421	10,2%
Activity	305.018		110.365	
Activity staff	64.587		48.664	
Technical staff	104.518		84.392	

Income statement for 2012

	Notes	2012 EUR	%	2011 EUR	%
8. Fundraising		76.916	2,5%	77.585	3,3%
Activity		2.279		2.952	
Activity staff		74.637		74.634	
Technical staff		0		0	
Total activities and salaries		2.764.365	90,3%	2.146.762	90,1%
Activity		1.345.343		859.207	
Activity staff		1.058.384		937.258	
Technical staff		360.638		350.298	
9. Administration		297.167	9,7%	234.879	9,9%
Staff development		22.444		17.018	
Audit		32.366		14.094	
Rent of Copenhagen office		49.299		39.703	
Rent of other offices etc.		37.142		46.666	
Depreciations	4	7.873		12.463	
Other administrative expenses	5	148.043		104.936	
Total expenses		3.061.531	100,0%	2.381.642	100,0%
Profit before financial items and extra ordinary income and expenses		16.077		2.743	
Financial income	6	2.870		(6.767)	
Other income		13		0	
Profit for the year		18.960		(4.023)	
Proposed distribution of profit					
Retained profit		18.960		(4.023)	
		18.960		(4.023)	

Balance sheet at 31.12.2012

	Notes	2012 EUR	2011 EUR
Computer equipment and other fixtures	4	8.777	13.937
Property, plant and equipment		8.777	13.937
Deposits	4	43.059	41.007
Fixed asset investments		43.059	41.007
Fixed assets		51.836	54.944
Debtors	7	450.799	283.468
Receivables		450.799	283.468
Cash at bank and in hand	8	1.332.788	1.893.810
Current assets		1.783.587	2.177.279
Assets		1.835.423	2.232.222

Balance sheet at 31.12.2012

	Notes	2012 EUR	2011 EUR
Retained profit		85.832	66.872
Equity	9	85.832	66.872
Prepaid contributions	10	818.792	1.382.801
Accrued subsidies	11	674.078	590.890
Deposits		6.364	6.364
Other liabilities	12	250.358	185.295
Current liabilities		1.749.591	2.165.350
Total liabilities		1.749.591	2.165.350
Equity and liabilities		1.835.423	2.232.222

Contingent liabilities

13

Notes

1. Claim against supplier

In 2012, the Association entered into a photocopier lease contract. It is Management's opinion, that the supplier - through fraud and non-transparent agreements - committed the Association to entering agreements in which there is a significant disparity between the value of the leased equipment and the commitment entered into by the Association. In consequence, the Association has requested a lawyer to issue a claim against the supplier with a view to receive compensation in the amount of EUR 84 thousand. The lawyer has stated that it is likely that the Court will side with EMHRN, but of course this is not to be taken for granted. At the presentation of the annual report, the Association has chosen to not to recognise the lease commitment.

	2012 EUR	2011 EUR
2. Subsidies taken to income		
EU Commission Migration	262.490	181.576
EU Commission Countries at risk (Solidarity)	0	216.487
EU Commission Countries at risk 2 (Solidarity)	456.712	8.479
EU Commission Gender	286.325	133.226
EU Commission, External Actions	134.621	0
SIDA 2012-2013, Core and activity	853.877	0
SIDA 2010-2011, Core and activity	0	866.225
SIDA 2011-2012, Tunisia Mission	43.550	83.594
Danida 2012-2013, Core and activity	675.033	0
Danida 2010-2011, Core and activity	0	416.107
Danida 2011-2012, Tunisia Mission	78.516	88.711
Agencia Espanola de Cooperacion Internacional	0	90.355
Norway MFA	78.962	76.596
ACSUR	0	84.147
Church of Sweden	11.618	11.280
Ford Foundation	0	27.360
FIDH	0	11.477
Stiftung Open Society Institute	176.945	88.664
	<u>3.058.648</u>	<u>2.384.285</u>

3. Communication

Expenses in connection with communication:		
Direct expenses	110.022	51.675
Salaries included in projects	32.972	69.149
Translations	102.220	59.453
Total Communication	<u>245.214</u>	<u>180.277</u>

Notes

	Deposits EUR	Computer equipment EUR
4. Fixed assets		
Cost at 01.01.2012	41.007	103.016
Additions	2.053	2.712
Cost at 31.12.2012	43.059	105.728
Depreciation at 01.01.2012	0	(89.078)
Depreciation for the year	0	(7.873)
Depreciation at 31.12.2012	0	(96.951)
Carrying amount at 31.12.2012	43.059	8.777
	2012 EUR	2011 EUR
5. Other administrative expenses		
Advertising		
Purchase of furniture	2.445	4.500
Purchase of computer equipment	782	6.497
Office supplies	27.405	22.014
Computer supplies	4.246	4.394
Communication	22.379	19.492
Insurance	12.008	10.559
Currency and bank commission	7.554	5.207
Web/internet	7.982	4.169
Recruiting fees	0	436
Staff development	3.514	0
Credit card fees	412	432
Securex Bruxelles	6.126	7.655
ADP Paris	1.557	1.800
Dataløn fees (external payroll service)	1.029	920
Legal assistance	5.285	3.158
Social charges	6.192	5.557
Changes in provisions, holiday pay	2.625	-9.077
Other	36.503	17.224
	148.043	104.936
6. Financial Income		
Interest income, banks	(53)	169
Currency adjustments	2.923	(6.936)
	2.870	(6.767)

Notes

	2012 EUR	2011 EUR
7. Debtors		
Euro-Mediterranean Foundation of Support to Human Rights Defenders	30.255	26.609
EU Commission	404.214	136.359
Norway MFA	0	76.596
ACSUR	13.807	0
ACSUR	0	13.807
FIDH	0	11.477
Others	2.524	18.621
	<u>450.799</u>	<u>283.468</u>
8. Cash at bank and in hand		
Jyske Bank A/S, 7851 1128866, DKK	1.165	75
Jyske Bank A/S, 7851 1116283	184	3.666
Jyske Bank A/S, 7851 1200624, DKK	15.275	83.063
Jyske Bank A/S, 7851 1126720	356	429
Jyske Bank A/S, 7851 1192722, DKK	4	4
Jyske Bank A/S, 7851 1153625, USD	0	59
Jyske Bank A/S, 7851 124953-0	1.798	9.345
Jyske Bank A/S, 7851 1187706	1.091	68.028
Jyske Bank A/S, 7851 1137107	820.061	698.122
Jyske Bank A/S, 7851 1241909, DKK	1.178	12.320
Jyske Bank A/S, 7851 1167815	4	42.877
Jyske Bank A/S, 7851 1169316, DKK	4	4
Jyske Bank A/S, 7851 1217651	370.898	85.550
Jyske Bank A/S, 7851 1235620	23	197.467
Jyske Bank A/S, 5078 100909-2	2.647	117
Jyske Bank A/S, 5078 1013870	35	35
Jyske Bank A/S, 5078 103082-5, SEK	11.748	575.301
Jyske Bank A/S, 5078 106228-1, DKK	(20)	2.109
Jyske Bank A/S, 5078 106234-9, DKK	400	134
Jyske Bank A/S, 5078 106235-6, DKK	12.443	0
Jyske Bank A/S, 5078 106236-4, DKK	0	1.343
Jyske Bank A/S, 5078 109434-2, DKK	894	0
Dexia Banque, 3746684 and 5064445	18.687	38.698
Credit Paris 41020013019	30.016	45.396
AlhiBankAmman 107663 USD	665	0
AlhiBankAmman 107663-01 EUR	13.704	24.155
AlhibankAmman 107663 JOD	(1)	(11.418)
TNDBank 17535 TND	0	12.431
TNDbank 58106 TND	23.962	0
Petty cash	5.568	4.500
	<u>1.332.788</u>	<u>1.893.810</u>

Notes

	2012 EUR	2011 EUR
9. Equity		
Equity at 01.01.2012	66.872	70.895
Profit for the year	18.960	(4.023)
	<u>85.832</u>	<u>66.872</u>
10. Prepaid contributions		
SIDA	0	564.010
Danida	818.792	818.792
	<u>818.792</u>	<u>1.382.801</u>
11. Accrued subsidies		
SIDA website and conference	1.337	1.337
EU Commission	0	309.073
Agencia Espanola de Cooperacion Internacional	76.547	76.547
SIDA	288.321	0
SIDA Tunisia Mission	43.612	87.161
Danida	143.759	0
Danida Tunisia Mission	13.981	92.497
Norway MFA	91.125	0
Stiftung Open Society Institute	15.396	24.275
	<u>674.078</u>	<u>590.890</u>
12. Other liabilities		
Due income taxed at source, social security contributions	6.173	20.623
Reserve for holiday pay	61.147	58.523
Interest to be paid back	1.464	2.108
Audit and assistance	35.470	24.161
Others	146.103	79.880
	<u>250.358</u>	<u>185.295</u>
13. Contingent liabilities		

EMHRN has entered into agreement regarding lease of premises at an annual lease of EUR 49 thousand. According to the contract, the lease is terminable at six months' notice.

EMHRN has this year entered an agreement regarding lease of equipment, at an annual lease of EUR 25 thousand. The contract is interminable before December 2017.