

**Euro-Mediterranean Human Rights  
Network  
Central Business Registration No 25 15 54 67  
Annual report 2006**

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## **Association details**

### **Association**

Euro-Mediterranean Human Rights Network  
Vestergade 16, 2.  
DK-1456 Copenhagen K  
Denmark

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

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Web: [www.euromedrights.net](http://www.euromedrights.net)

### **Executive Committee**

Kamel Jendoubi, President  
Eva Norstrøm, Vice-President  
Nizam Assaf, Treasurer  
Michel Tubiana  
Maria De Donato  
Birgit Lindsnæs  
Moataz El Fegiery  
Wadih-Ange Al-Asmar  
Nina Atallah  
Iain Byrne  
Colm Regan  
Rabea Naciri

### **Executive Director**

Marc Schade-Poulsen

### **Auditor**

Deloitte Statsautoriseret Revisionsaktieselskab

The Annual Report was presented and adopted at the General Assembly on

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## Statement by Management on the annual report

We have considered and adopted the annual report of the Euro-Mediterranean Human Rights Network for the financial year 1 January to 31 December 2006.

The annual report was prepared in accordance with the Danish Financial Statements Act. We consider the applied accounting policies appropriate and the estimates made reasonable. Furthermore, we consider the overall annual report true and fair. Therefore, in our opinion the annual report gives a true and fair view of the financial position and the results of operations for the Association.

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, 14 August 2007

### Executive Director

Marc Schade-Poulsen

### Executive Committee

Kamel Jendoubi  
President

Eva Norstrøm  
Vice-President

Nizam Assaf  
Treasurer

Michel Tubiana

Maria De Donato

Birgit Lindsnæs

Moataz El Fegiery

Wadih-Ange Al-Asmar

Nina Atallah

Iain Byrne

Colm Regan

Rabea Naciri

## Independent auditor's report

### To the Executive Committee of the Euro-Mediterranean Human Rights Network

We have audited the annual report of the Euro-Mediterranean Human Rights Network for the financial year 1 January to 31 December 2006, which comprises the statement by Management on the annual report, Management's review, accounting policies, income statement, balance sheet and notes. The annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class A enterprises.

#### Management's responsibility for the annual report

Management is responsible for the preparation and fair presentation of an annual report in accordance with the Danish Financial Statements Act. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of an annual report that is 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.

#### Auditor's responsibility and basis of opinion

Our responsibility is to express an opinion on this annual report based on our audit. We conducted our audit in accordance with Danish Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual report, 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 an annual report 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 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 annual report.

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 annual report gives a true and fair view of the Association's financial position at 31 December 2006 and of its financial performance for the financial year 1 January to 31 December 2006 in accordance with the provisions of the Danish Financial Statements Act governing reporting class A enterprises.

Copenhagen, 14 August 2007

#### Deloitte

Statsautoriseret Revisionsaktieselskab

Christian Dalmoose Pedersen  
State Authorised Public Accountant

Knud Vestergaard  
State Authorised Public Accountant

## **Management's review**

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 further description of the activities, we refer to the EMHRN Annual Report of Activities 2006, 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 2006**

Profit for the year is in accordance with expectations. The financial development fulfils the expectations from the previous year.

### **The expected development**

The Association signed a 2 years contract with the EU Commission and with the Danish Ministry of Foreign Affairs. Furthermore, the Association obtained project contracts with the EU Commission, the Swedish International Development Agency and other donors. These contracts allow the EMHRN to increase its level of activities in 2007. Current prospects for 2008 indicate that the level of activity will remain on at least the 2007 level.

## Accounting policies

### Basis of preparation

This annual report has been 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.

### 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 purpose. 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

#### Property, plant and equipment

Plant and equipment are measured at cost less 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.

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

## **Accounting policies**

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.

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

Liabilities are measured at nominal value.



## Income statement for 2006

	<u>Notes</u>	<u>2006 EUR</u>	<u>2005 EUR</u>
Subsidies taken to income	1	1,553,451	1,151,497
Membership fees		7,904	100
Other income		18,677	2,714
<b>Total operating income</b>		<b>1,580,032</b>	<b>1,154,311</b>
Salaries and wages	2	(803,243)	(604,193)
Per diem allowances		(215,684)	(94,689)
Other contributions		(4,356)	(5,200)
Other activity expenses	3	(440,131)	(354,307)
Administrative expenses	4	(93,125)	(93,006)
Depreciation	6	(17,788)	(2,754)
<b>Profit before financial items</b>		<b>5,705</b>	<b>162</b>
Financial income	5	(2,868)	4,597
<b>Profit for the year</b>		<b>2,837</b>	<b>4,759</b>
<b>Proposed distribution of profit</b>			
Retained profit		2,837	
		<b>2,837</b>	

**Balance sheet at 31 December 2006**

	<u>Notes</u>	<u>2006 EUR</u>	<u>2005 EUR</u>
Computer equipment and other fixtures	6	45,633	46,827
<b>Property, plant and equipment</b>		<u>45,633</u>	<u>46,827</u>
Deposits	6	32,192	15,826
<b>Fixed asset investments</b>		<u>32,192</u>	<u>15,826</u>
<b>Fixed assets</b>		<u>77,825</u>	<u>62,653</u>
Prepaid expenses and deferred income		3,272	10,758
Debtors	7	65,512	86,268
<b>Receivables</b>		<u>68,784</u>	<u>97,026</u>
<b>Cash at bank and in hand</b>	8	<u>1,429,420</u>	<u>470,011</u>
<b>Current assets</b>		<u>1,498,204</u>	<u>567,037</u>
<b>Assets</b>		<u>1,576,029</u>	<u>629,690</u>

**Balance sheet at 31 December 2006**

	<u>Notes</u>	<u>2006 EUR</u>	<u>2005 EUR</u>
Retained profit		80,058	77,221
<b>Equity</b>	<b>9</b>	<b>80,058</b>	<b>77,221</b>
Prepaid contributions	10	1,076,859	5,419
Accrued subsidies	11	184,908	369,003
Deposits		1,879	0
Other liabilities	12	232,325	178,047
<b>Current liabilities</b>		<b>1,495,971</b>	<b>552,469</b>
<b>Total liabilities</b>		<b>1,495,971</b>	<b>552,469</b>
<b>Equity and liabilities</b>		<b>1,576,029</b>	<b>629,690</b>

## Notes

	<b>2006</b> <b>EUR</b>	<b>2005</b> <b>EUR</b>
<b>1. Subsidies taken to income</b>		
EU Commission, Aeneas	114,033	0
EU Commission, 2006 and 2007	514,066	0
Ministry of Foreign Affairs Netherland	0	73
Novib	11,357	8,642
Danida, other contracts	0	25,688
Danida 2005, Bridging support	0	365,447
Danida 2005, NGO Network	10,337	56,243
Danida 2006, core and activity	414,558	0
Ford Foundation 2005 and 2006	38,199	0
Stiftung Open Society Institute	46,032	13,009
Danchurch Aid HR Review	26,846	46,980
Diakonia HR Review	15,958	3,355
ICCO Netherland HR Review	16,114	25,503
Novib Netherland	0	15,000
Church of Sweden	5,840	0
SIDA, website	58,579	37,225
SIDA, justice	61,737	0
Spanish International Development Agency	125,000	0
UNCHR HQ Treasury	86,375	67,632
Avocats Sans Frontieres	3,000	0
Compensation of Sweden	0	10,000
Compensation of Ireland	0	20,000
Compensation of Netherland	0	200,005
Compensation of Luxembourg	0	15,000
Compensation of Hungary	0	5,000
Compensation of Greece	5,420	580
Civil Forum (Lux contract)	0	236,115
	<b>1,553,451</b>	<b>1,151,497</b>

**Notes**

	<b>2006</b>	<b>2005</b>
	<b>EUR</b>	<b>EUR</b>
<b>2. Salaries and wages</b>		
Executive Director	79,202	77,694
Administration Officers	136,086	53,140
Coordinators	224,870	203,355
Executive Officers	26,608	16,629
Brussels, coordinators	102,942	82,421
Rabat, Coordinators	35,906	0
Amman, Coordinators	15,000	0
Student assistance	27,095	26,015
Journalists	47,120	42,172
Accountant	55,746	76,367
Researchers	57,500	32,765
Social charges	6,642	3,287
Changes in provisions holiday pay	0	18,753
Wages refund	(11,653)	(28.405)
Others	179	0
	<b>803,243</b>	<b>604,193</b>

## Notes

	<u>2006</u> <u>EUR</u>	<u>2005</u> <u>EUR</u>
<b>3. Other activity expenses</b>		
Air travel	181,651	101,091
Transport airport/hotel	15,271	10,061
Rental of offices and congress rooms	74,584	38,806
Telephone Conference	0	1,059
Working lunch, receptions, coffee beaks	699	4,289
Production of reports	12,636	26,704
Rental of interpretation equipment	11,631	6,902
Purchase of furniture	11,272	11,368
Purchase of computer equipment	3,999	1,888
Translation and proof reading	73,879	58,569
Consultant Civil Forum	0	33,739
Honoraria, speakers, experts	33,552	25,069
Interpreters	41,437	22,509
Invitations, decoration, note pads, folders	143	5,542
Audit and assistance	6,760	6,711
Audit and assistanceregarding year 2005	1,359	0
Share EMHRF, general assembly	(28,864)	0
Others	122	0
	<u>440,131</u>	<u>354,307</u>

## Notes

	<u>2006</u> <u>EUR</u>	<u>2005</u> <u>EUR</u>
<b>4. Administrative expenses</b>		
Administration DCHR, Paris	5,554	22,192
Advertising	3,033	0
Office supplies	32,939	10,252
Computer supplies	6,206	6,361
Communication	22,598	9,345
Insurance	4,781	2,298
Currency and bank commission	3,819	2,032
Web/internet	4,232	2,026
Rental accounting program	825	574
Recruiting fee	0	6,711
Staff development	770	0
Credit card	192	151
Securix Bruxelles	1,408	879
Dataløn fees (external payroll service)	762	654
Audit and assistance	21,260	29,531
Audit and assistance regarding previous years	6,002	0
Rental/administrative services, previous year, reversed	<u>(21,256)</u>	<u>0</u>
	<b><u>93,125</u></b>	<b><u>93,006</u></b>
<b>5. Financial income</b>		
Interest income banks	1,691	3,487
Currency adjustments	<u>(4,559)</u>	<u>1,110</u>
	<b><u>(2,868)</u></b>	<b><u>4,597</u></b>

## Notes

	<u>Deposits EUR</u>	<u>Computer equipment EUR</u>
<b>6. Fixed assets</b>		
Cost 1 January 2006	15,826	49,581
Additions	<u>16,366</u>	<u>16,594</u>
<b>Cost 31 December 2006</b>	<b><u>32,192</u></b>	<b><u>66,175</u></b>
Depreciation 1 January 2006	0	2,754
Depreciation for the year	<u>0</u>	<u>17,788</u>
<b>Depreciation 31 December 2006</b>	<b><u>0</u></b>	<b><u>20,542</u></b>
<b>Carrying amount 31 December 2006</b>	<b><u>32,192</u></b>	<b><u>45,633</u></b>
<b>7. Debtors</b>		
Euro-Mediterranean Foundation of Support to Human Rights Defenders	15,628	26,256
Civil Forum	25,163	25,163
DIHR	22,311	0
Others	<u>2,410</u>	<u>34,849</u>
	<b><u>65,512</u></b>	<b><u>86,268</u></b>
<b>8. Cash at bank and in hand</b>		
Jyske Bank A/S, 7851 1116283	604,206	202,256
Jyske Bank A/S, 7851 1128866, DKK	(151)	2,241
Jyske Bank A/S, 7851 1126720	1,097	430
Jyske Bank A/S, 7851 1153625, USD	20,286	38,428
Jyske Bank A/S, 7851 1137107	625,747	892
Jyske Bank A/S, 7851 1167815	753	14,353
Jyske Bank A/S, 7851 1169316, DKK	16,814	87,961
Jyske Bank A/S, 7851 1200624, DKK	710	17,512
Jyske Bank A/S, 7851 1192722, DKK	75,355	13,644
Jyske Bank A/S, 7851 1200640	0	56,427
Jyske Bank A/S, 7851 1187706	218	20,556
Jyske Bank A/S, 7851 1190742	0	538
Jyske Bank A/S, 7851 1217651	54,976	0
Dexia Banque, 3746684 and 5064445	17,839	11,039
Petty cash	<u>11,570</u>	<u>3,734</u>
	<b><u>1,429,420</u></b>	<b><u>470,011</u></b>



## Notes

	<b>2006</b>	<b>2005</b>
	<b>EUR</b>	<b>EUR</b>
<b>9. Equity</b>		
Equity 1 January 2006	77,221	72,462
Profit for the year	2,837	4,759
<b>Equity 31 December 2006</b>	<b>80,058</b>	<b>77,221</b>
<b>10. Prepaid contributions</b>		
EU Commission	502,060	0
Danida	572,796	0
DCISM	2,003	0
Others	0	5,419
	<b>1,076,859</b>	<b>5,419</b>
<b>11. Accrued subsidies</b>		
Danida and EU Commission	86,765	0
AENEAS	88,219	202,252
SIDA Web site and justice etc	9,924	71,162
Ford Foundation	0	38,199
Danchurch Aid	0	11,358
Open Society	0	46,032
	<b>184,908</b>	<b>369,003</b>
<b>12. Other liabilities</b>		
Due income taxed at source, social security contributions, social charge	24,447	19,463
Reserve for holiday pay	63,043	63,043
Holiday pay, other	4,350	481
Interest to be paid back	7,716	3,415
Audit and assistance	25,503	10,738
UNCHR	20,526	0
DIMR	0	21,256
Others	86,740	59,651
	<b>232,325</b>	<b>178,047</b>