

Euro-Mediterranean Human Rights Network

Central Business Registration No: 25 15 54 67

Annual report 2008

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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

Phone: +45 32 64 17 00

Fax: +45 32 64 17 01

Internet: www.euromedrights.net

Executive Committee

Kamel Jendoubi, President

Lone Lindholdt, Vice-President

Moataz El Fegiery, Treasurer

Michel Tubiana

Wadih-Ange Al-Asmar

Magaly Thill

Mari Lavrentiadou

Maysa Zorob

Mustafa Emrah Seyhanliogly

Danial Saoud

Executive Director

Marc Schade-Poulsen

Auditor

Deloitte Statsautoriseret Revisionsaktieselskab

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

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 2008.

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, 18 August 2009

Executive Director



Marc Schade-Poulsen

Executive Committee



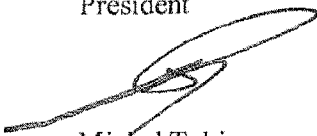
Kamel Jendoubi
President



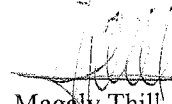
Lone Lindholdt
Vice-President



Moataz El-Feghery
Treasurer



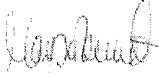
Michel Tubiana



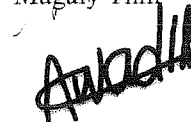
Magaly Thill



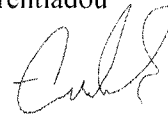
Mari Lavrentiadou



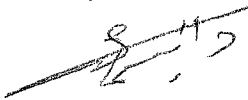
Maysa Zorob



Wadih-Ange Al-Asmar



Mustapha Emrah Seyhanliogly



Danial Saoud

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 2008, 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. 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 2008 and of its financial performance for the financial year 1 January to 31 December 2008 in accordance with the provisions of the Danish Financial Statements Act governing reporting class A enterprises.

Independent auditor's review report on the performance audit

In connection with the financial audit of the annual report, we assessed whether appropriate economical management of EMHRN has been carried through in relation to the grants.

Management's responsibility

Management is responsible for the establishment of directions and procedures assuring that appropriate economical management of EMHRN has been carried through.

Auditor's responsibility and the performance audit

In accordance with public generally accepted auditing principles, we investigated whether EMHRN has laid down procedural rules for selected management areas in relation to the annual report that guarantee appropriate economical management of EMHRN. We have performed the audit to obtain limited assurance as to whether the management of the selected areas has been carried through in an economical way.

Opinion

Based on our performance audit, nothing has come to our attention that causes us to believe that the management in 2008 of the areas investigated by us has not been handled in an economical way.


Emphasis of matter

The productivity and efficiency aspect of the performance audit is difficult to quantify and thus make it the object of measurement in an organisation engaged in human rights work. We refer to Management's comments on this issue below in Management's review.

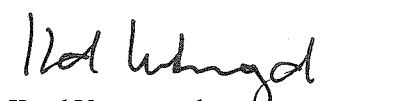
Copenhagen, 18 August 2009

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 a further description of the activities, we refer to the EMHRN Annual Report of Activities 2008, 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 2008

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

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. Quantifying efficiency and productivity is difficult in qualitative human rights work.

An external Review was conducted by EMHRN donors in late 2008/early 2009. It concluded *inter alia* that *'during the last couple of years, the EMHRN has managed to strengthen its organisational structure in order to respond to the new requirements arising from the widening of its expanding intervention areas and partners. A process of revision of the Statutes of the Network as well as drafting of By-Laws regulating the internal operations of the organisational structures has been carried out leading to greater transparency and accountability. Further, as regards the Secretariat, roles and spheres of responsibility have been more clearly demarcated allowing for continued growth in the organisation and individual competencies, thereby contributing to increased professionalization'*.

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 2008 the Association signed a 2 years contract with the EU Commission and with the Danish Ministry of Foreign Affairs and SIDA (for 2008 and 2009). Furthermore, the Association obtained project contracts with the EU Commission, the Spanish International Development Cooperation Agency and other donors. These contracts allowed the EMHRN to increase its level of activities in 2008. Current prospects, including core funding by the Danish Ministry of Foreign Affairs and the Swedish International Development Agency, as well as several contracts with the EU Commission, for 2009 indicate that the level of activity will remain on at least the 2008 level. Oral commitments by DANIDA and SIDA in terms of core funding, three ongoing contracts with the European Commission as well as the employment of a fund raiser also indicate that 2010 level of activities will remain at least on the 2008 level.

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.

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

Property, plant and equipment

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.

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 2008

	<u>Notes</u>	<u>2008 EUR</u>	<u>2007 EUR</u>
Subsidies taken to income	1	1.931.221	1.584.121
Membership fees		8.190	295
Other income		10.921	4.006
Total operating income		1.950.333	1.588.422
Salaries and wages	2	(925.607)	(760.472)
Activity expenses	3	(899.764)	(741.536)
Administrative expenses	4	(102.617)	(77.075)
Depreciation	6	(22.640)	(22.059)
Loss before financial items		(295)	(12.720)
Financial expenses	5	(776)	(1.878)
Loss for the year		(1.071)	(14.598)
Proposed distribution of loss			
Retained loss		(1.071)	(14.598)
		(1.071)	(14.598)

Balance sheet at 31.12.2008

	<u>Notes</u>	<u>2008 EUR</u>	<u>2007 EUR</u>
Computer equipment and other fixtures	6	6.517	23.574
Property, plant and equipment		6.517	23.574
Deposits	6	34.316	33.528
Fixed asset investments		34.316	33.528
Fixed assets		40.833	57.102
Prepaid expenses and deferred income		0	4.648
Debtors	7	390.473	216.741
Receivables		390.473	221.389
Cash at bank and in hand	8	670.542	243.928
Current assets		1.061.015	465.317
Assets		1.101.848	522.419

Balance sheet at 31.12.2008

	<u>Notes</u>	<u>2008 EUR</u>	<u>2007 EUR</u>
Retained profit		64.389	65.460
Equity	9	<u>64.389</u>	<u>65.460</u>
Prepaid contributions	10	640.952	0
Accrued subsidies	11	65.567	224.650
Deposits		3.851	3.851
Other liabilities	12	327.090	228.458
Current liabilities		<u>1.037.460</u>	<u>456.959</u>
Total liabilities		<u>1.037.460</u>	<u>456.959</u>
<hr/>			
Equity and liabilities		<u>1.101.848</u>	<u>522.419</u>

Notes

	2008	2007
	EUR	EUR
1. Subsidies taken to income		
EU Commission, Aeneas	220.552	158.601
EU Commission 2006 and 2007, Activity	0	485.934
EU Freedom of Association	126.948	52.464
Danida 2006-2007, Core and activity	30.428	751.595
Danida 2008-2009, Core and activity	523.489	0
Danida other Contracts	2.533	0
Ford Foundation	107.689	0
Danchurch Aid HR Review	0	16.107
Church of Sweden	13.753	16.089
SIDA, website	0	6.017
SIDA, justice	53.801	29.880
SIDA 2008-2009, Core and activity	741.866	0
Euromed Network	12.097	2.552
Affaires Etrangeres	0	42.082
Trocaire	0	15.000
DIHR	1.800	7.800
Henrich-Boll-Stiftung	7.831	0
l'Agencia Catalana de Cooperacio al Desenvolupament	60.000	0
l'Oficina de Promocio de la Pau i dels Drets Humans	20.000	0
Agencia Espanola de Cooperacion Internacional	8.435	0
	1.931.221	1.584.121

Notes

	2008	2007
	EUR	EUR
2. Salaries and wages		
Executive Director	99.919	78.910
Administration Officers	155.047	164.577
Coordinators	269.997	285.260
Executive Officers	28.602	23.219
Brussels, Coordinators	151.104	104.772
Rabat, Coordinators	60.220	0
Amman, Coordinators	36.000	28.468
Student assistance	18.811	17.162
Journalists	0	2.848
Accountants	92.755	71.540
Social charges	9.033	8.467
Changes in provisions, holiday pay	4.118	4.716
Wages refund	0	(31.316)
Others	0	1.849
	925.607	760.472

Notes

	2008	2007
	EUR	EUR
3. Activity expenses		
Air travel	173.443	158.041
Per diem allowances	252.959	186.884
Transport airport/hotel	11.031	12.209
Rental of offices and congress rooms	80.833	72.840
Telephone conference calls	0	415
Working lunch, receptions, coffee beaks	152	767
Researchers	73.793	79.148
Production of reports	96.122	15.544
Rental of interpretation equipment	18.811	12.338
Purchase of furniture	4.720	259
Purchase of computer equipment	1.098	5.910
Translation and proof reading	115.467	87.239
Honoraria, speakers, experts	1.000	23.650
Interpreters	34.348	31.986
Audit and assistance regarding projects	22.834	45.748
Other contributions	7.000	0
Others	6.154	8.558
	899.764	741.536

Notes

	2008	2007
	EUR	EUR
4. Administrative expenses		
Administration DCHR, Paris	0	1.148
Advertising	1.758	2.809
Office supplies	21.242	35.771
Computer supplies	9.194	1.841
Communication	22.108	0
Insurance	7.315	2.142
Currency and bank commission	10.309	6.222
Web/internet	3.368	3.059
Rental accounting program	1.148	0
Recruiting fee	0	10.342
Staff development	414	164
Credit card	151	20
Securalex Bruxelles	2.647	1.303
Dataløn fees (external payroll service)	1.102	667
Audit and assistance	8.557	5.873
Audit and assistance regarding previous years	0	(3.020)
Other	13.306	8.734
	102.617	77.075
5. Financial expenses		
Interest income, banks	1.355	668
Currency adjustments	(579)	1.210
	776	1.878

Notes

	<u>Deposits</u> EUR	<u>Computer equipment</u> EUR
6. Fixed assets		
Cost at 01.01.2008	33.528	66.175
Additions	788	5.583
Cost at 31.12.2008	<u>34.316</u>	<u>71.758</u>
Depreciation at 01.01.2008	0	(42.601)
Depreciation for the year	0	(22.640)
Depreciation at 31.12.2008	<u>0</u>	<u>(65.241)</u>
Carrying amount at 31.12.2008	<u>34.316</u>	<u>6.517</u>

	<u>2008</u> EUR	<u>2007</u> EUR
7. Debtors		
Euro-Mediterranean Foundation of Support to Human Rights Defenders	22.717	17.784
Loan Euromed NGO Platform	10.000	10.000
Aeneas	8.849	69.232
EU Commission	68.412	100.000
Affaires Etrangeres	0	17.173
Euromed Network	41.500	2.552
SIDA	227.096	0
Foreign Ministry Spain	8.435	0
Others	3.465	0
	<u>390.473</u>	<u>216.741</u>

Notes

	2008	2007
	EUR	EUR
8. Cash at bank and in hand		
Jyske Bank A/S, 7851 1116283	335.217	(2.375)
Jyske Bank A/S, 7851 1128866, DKK	(11)	(40)
Jyske Bank A/S, 7851 1126720	80.003	456
Jyske Bank A/S, 7851 1153625, USD	1	40
Jyske Bank A/S, 7851 1137107	12	23.873
Jyske Bank A/S, 7851 1167815	1	178
Jyske Bank A/S, 7851 1169316, DKK	4	293
Jyske Bank A/S, 7851 1200624, DKK	7.673	12.511
Jyske Bank A/S, 7851 1192722, DKK	3	281
Jyske Bank A/S, 7851 1187706	3	240
Jyske Bank A/S, 7851 1217651	18	22.555
Jyske Bank A/S, 7851 1235620	525	96.323
Jyske Bank A/S, 7851 1239168	353	69.965
Jyske Bank A/S, 7851 1241909, DKK	230.798	0
Jyske Bank A/S, 5078 1013870	489	0
Dexia Banque, 3746684 and 5064445	12.924	13.654
Petty cash	2.532	5.974
	670.542	243.928
	2008	2007
	EUR	EUR
9. Equity		
Equity at 01.01.2008	65.460	80.058
Loss for the year	(1.071)	(14.598)
	64.389	65.460
10. Prepaid contributions		
EU Commission	238.268	0
Danida	402.684	0
	640.952	0

Notes

	<u>2008</u> <u>EUR</u>	<u>2007</u> <u>EUR</u>
11. Accrued subsidies		
Danida and EU Commission	0	21.072
Foreign Ministry France	59.000	0
SIDA website and justice, etc	6.567	60.368
Freedom of Association	0	58.536
Ford Foundation 2007/08	0	84.674
	<u>65.567</u>	<u>224.650</u>
12. Other liabilities		
Due income taxed at source, social security contributions, social charge	3.729	1.211
Reserve for holiday pay	64.487	58.682
Holiday pay, other	674	812
Interest to be paid back	14.719	16.581
Audit and assistance	32.064	56.990
Funds to be paid back	0	4.595
UNCHR	0	20.526
DIHR	0	1.800
Others	211.417	67.261
	<u>327.090</u>	<u>228.458</u>

