

Euro-Mediterranean Human Rights Network

Central Business Registration No: 25 15 54 67

Annual report 2009

Contents

	<u>Page</u>
Association details	1
Statement by Management on the annual report	2
Independent auditor's report	3
Management's review	5
Accounting policies	7
Income statement for 2009	9
Balance sheet at 31.12.2009	10
Notes	12

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 Fegier, 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 2009.

The annual report is prepared in accordance with the Danish Financial Statements Act. In our opinion, the financial statements give a true and fair view of the Company's financial position and results. 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.

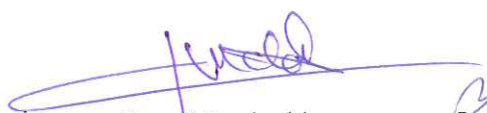
Amman, 19 June 2010

Executive Director



Marc Schade-Poulsen

Executive Committee



Kamel Jendoubi
President



Lone Lindholdt
Vice-President

Moataz El Fegier
Treasurer

Michel Tubiana



Magaly Thill



Mari Lavrentiadou



Maysa Zorob



Wadih-Ange Al-Asmar



Mustafa 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 2009, 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 2009 and of its financial performance for the financial year 1 January to 31 December 2009 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 2009 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.

Statement on the management commentary

Management is responsible for preparing a management commentary that contains a fair review in accordance with the Danish Financial Statements Act.

Our audit did not include the management commentary, but we have read it pursuant to the Danish Financial Statements Act. We did not perform any procedures other than those performed during the audit of the financial statements.

Based on this, we believe that the disclosures in the management commentary are consistent with the financial statements.

Copenhagen, 19 June 2010

Deloitte

Statsautoriseret Revisionsaktieselskab



Christian Dalmose 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 2009, 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 2009

The minor profit 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. In 2008/2009, the Danish Ministry of Foreign Affairs in collaboration with SIDA (Swedish International Development and Cooperation Agency) and Europeaid, commissioned an review mission of the Network. It concludes *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 (see www.euromedrights.net)

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 2009 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 2009. 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 2010 indicate that the level of activity will remain on at least the 2009 level. 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 2010-11 level of activities will remain at least on the 2009 level.

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.

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 2009

	<u>Notes</u>	<u>2009 EUR</u>	<u>2008 EUR</u>
Subsidies taken to income	1	2.021.098	1.931.221
Membership fees		1.160	8.190
Other income		4.185	10.921
Total operating income		2.026.443	1.950.333
Salaries and wages	2	(1.142.243)	(925.607)
Activity expenses	3	(759.889)	(893.946)
Administrative expenses	4	(106.946)	(108.435)
Depreciation	6	(7.924)	(22.640)
Profit before financial items		9.441	(295)
Financial expenses	5	(976)	(776)
Profit for the year		8.465	(1.071)
Proposed distribution of profit			
Retained profit		8.465	(1.071)
		8.465	(1.071)

Balance sheet at 31.12.2009

	Notes	2009 EUR	2008 EUR
Computer equipment and other fixtures	6	8.944	6.517
Property, plant and equipment		8.944	6.517
Deposits	6	38.821	34.316
Fixed asset investments		38.821	34.316
Fixed assets		47.765	40.833
Debtors	7	121.896	390.473
Receivables		121.896	390.473
Cash at bank and in hand	8	1.377.761	670.542
Current assets		1.499.656	1.061.015
Assets		1.547.422	1.101.848

Balance sheet at 31.12.2009

	<u>Notes</u>	<u>2009 EUR</u>	<u>2008 EUR</u>
Retained profit		72.854	64.389
Equity	9	<u>72.854</u>	<u>64.389</u>
Prepaid contributions	10	842.716	640.952
Accrued subsidies	11	441.933	65.567
Deposits		3.851	3.851
Other liabilities	12	186.069	327.090
Current liabilities		<u>1.474.568</u>	<u>1.037.460</u>
Total liabilities		<u>1.474.568</u>	<u>1.037.460</u>
Equity and liabilities		<u>1.547.422</u>	<u>1.101.848</u>

Notes

	2009 EUR	2008 EUR
1. Subsidies taken to income		
EU Commission Freedom of Association	136.940	126.948
EU Commission Migration	155.821	0
EU Commission Countries at risk (Solidarity)	86.053	0
EU Commission, Aeneas	0	220.552
SIDA 2008-2009, Core and activity	783.234	741.866
SIDA Conference	234.471	0
SIDA, Website	5.231	0
SIDA, Justice	0	53.801
Danida 2008-2009, Core and activity	402.685	523.489
Danida 2006-2007, Core and activity	0	30.428
Danida other Contracts	0	2.533
Agencia Espanola de Cooperacion Internacional	61.364	8.435
l'Agencia Catalana de Cooperacio al Desenvolupament	0	60.000
l'Oficina de Promocio de la Pau i dels Drets Humans	0	20.000
ACSUR	51.616	0
Le Ministère français des Affaires étrangères	59.000	0
Church of Sweden	9.674	13.753
Euromed Network	19.110	12.097
Henrich-Boll-Stiftung	15.900	7.831
Ford Foundation	0	107.689
DIHR	0	1.800
	2.021.098	1.931.221

Notes

	2009 EUR	2008 EUR
2. Salaries and wages		
Executive Director	101.989	99.919
Administration Officers	252.064	155.047
Accountants	60.645	92.755
Coordinators	301.766	269.997
Fundraiser	42.331	0
Executive Officers	16.763	28.602
Brussels, Coordinators	192.255	151.104
Paris, Coordinators	40.808	0
Rabat, Coordinators	60.613	60.220
Amman, Coordinators	36.000	36.000
Student assistance	29.746	18.811
Social charges	4.152	9.033
Changes in provisions, holiday pay	3.113	4.118
	1.142.243	925.607

	2009 EUR	2008 EUR
3. Activity expenses		
Air travel	176.374	173.443
Per diem allowances	245.345	252.959
Transport airport/hotel	18.491	11.031
Rental of offices and congress rooms	88.156	80.833
Working lunch, receptions, coffee beaks	424	152
Researchers	48.777	73.793
Production of reports	43.326	96.122
Rental of interpretation equipment	12.326	18.811
Translation and proof reading	58.760	115.467
Honoraria, speakers, experts	0	1.000
Interpreters	40.554	34.348
Audit and assistance regarding projects	17.030	22.834
Invitations, decoration, note pads, folders	75	0
Other contributions	0	7.000
Others	10.253	6.154
	759.889	893.946

Notes

	2009	2008
	EUR	EUR
4. Administrative expenses		
Advertising	0	1.758
Purchase of furniture	2.361	4.720
Purchase of computer equipment	7.035	1.098
Office supplies	15.867	21.242
Computer supplies	1.638	9.194
Communication	14.167	22.108
Insurance	5.695	7.315
Currency and bank commission	9.399	10.309
Web/internet	13.626	3.368
Rental accounting program	1.465	1.148
Staff development	4.977	414
Credit card	249	151
Securex Bruxelles	3.030	2.647
ADP Paris	804	0
Datalon fees (external payroll service)	1.054	1.102
Audit and assistance	10.403	8.557
Legal assistance	8.171	5.117
Other	7.005	8.188
	106.946	108.435
5. Financial expenses		
Interest income, banks	0	1.355
Currency adjustments	976	(579)
	976	776

Notes

	Deposits EUR	Computer equipment EUR
6. Fixed assets		
Cost at 01.01.2009	34.316	71.758
Additions	4.505	10.351
Cost at 31.12.2009	38.821	82.109
Depreciation at 01.01.2009	0	(65.241)
Depreciation for the year	0	(7.924)
Depreciation at 31.12.2009	0	(73.165)
Carrying amount at 31.12.2009	38.821	8.944
	2009 EUR	2008 EUR
7. Debtors		
Euro-Mediterranean Foundation of Support to Human Rights Defenders	26.929	22.717
Loan Euromed NGO Platform	10.000	10.000
Euromed Network	78.400	41.500
SIDA	0	227.096
Agencia Espanola de Cooperacion Internacional	0	8.435
Aeneas	0	8.849
EU Commission	0	68.412
Others	6.567	3.465
	121.896	390.473

Notes

	2009 EUR	2008 EUR
8. Cash at bank and in hand		
Jyske Bank A/S, 7851 1116283	6.974	335.217
Jyske Bank A/S, 7851 1128866, DKK	16.933	(11)
Jyske Bank A/S, 7851 1126720	306	80.003
Jyske Bank A/S, 7851 1153625, USD	1	1
Jyske Bank A/S, 7851 1137107	4.704	12
Jyske Bank A/S, 7851 1167815	69	1
Jyske Bank A/S, 7851 1169316, DKK	4	4
Jyske Bank A/S, 7851 1200624, DKK	70.720	7.673
Jyske Bank A/S, 7851 1192722, DKK	11.499	3
Jyske Bank A/S, 5078 103082-5 SEK	842.716	0
Jyske Bank A/S, 7851 1187706	70.298	3
Jyske Bank A/S, 7851 1217651	3.260	18
Jyske Bank A/S, 7851 1235620	118.606	525
Jyske Bank A/S, 7851 1239168	0	353
Jyske Bank A/S, 7851 1241909, DKK	197.252	230.798
Jyske Bank A/S, 5078 1013870	384	489
Dexia Banque, 3746684 and 5064445	3.996	12.924
Credit Paris 41020013019	24.173	0
Petty cash	5.866	2.532
	1.377.761	670.542
	2009 EUR	2008 EUR
9. Equity		
Equity at 01.01.2009	64.389	65.460
Profit for the year	8.465	(1.071)
	72.854	64.389
10. Prepaid contributions		
SIDA	842.716	0
Danida	0	402.684
EU Commission	0	238.268
	842.716	640.952

Notes

	2009	2008
	EUR	EUR
11. Accrued subsidies		
SIDA website and conference	33.994	6.567
EU Commission	264.898	0
Agencia Espanola de Cooperacion Internacional	75.164	0
Ford Foundation 2009/10	48.828	0
ACSUR	19.049	0
Le Ministère français des Affaires étrangères	0	59.000
	441.933	65.567
12. Other liabilities		
Due income taxed at source, social security contributions, social charge	34.177	3.729
Reserve for holiday pay	67.600	64.487
Holiday pay, other	4.058	674
Interest to be paid back	2.084	14.719
Audit and assistance	17.198	32.064
Others	60.951	211.417
	186.069	327.090

