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Euro-Mediterranean Human Rights Network

Central Business Registration No: 25 15 54 67

Annual report 2011

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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 Fegier, Treasurer
Michel Tubiana
Wadih-Ange Al-Asmar
Magaly Thill
Marie Lavrentiadou
Maysa Zorob
Mustafa Emrah Seyhanlioglu
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 2011.

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.

Copenhagen, 25 April 2012

Executive Director

Marc Schade-Poulsen

Executive Committee

Kamel Jendoubi
President

Lone Lindholdt
Vice-President

Moataz El Fegier
Treasurer

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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 2011, which comprises the statement by Management on the annual report, Management commentary, 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 2011 and of its financial performance for the financial year 1 January to 31 December 2011 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 2011 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 commentary.

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, 26 April 2012

Deloitte

Statsautoriseret Revisionsaktieselskab

Christian Dalmose Pedersen
State Authorised Public Accountant

Knud Vestergaard
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 2011, 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 2011

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. However, reviews of the EMHRN's work have had no objections as to the efficiency and productivity of activities. An EU Commission financial verification mission regarding one of the EMHRN's main projects that was finalised in 2011 concluded that the EMHRN internal control systems put in place are working properly.

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 2011 the Association signed a three years contract with the EU Commission, and one and a half year contract with Norwegian MFA. Furthermore, the Association obtained project contracts with the EU Commission and other donors.

Current prospects for 2012, including core funding by the Danish Ministry of Foreign Affairs and the Swedish International Development Agency. The level of activity will be increased compared with 2011 level.

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.

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

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 2011

	Notes	2011 EUR		2010 EUR	
Subsidies taken to income	1	2.384.285	99,996%	2.162.582	99,99%
Membership fees		100	0,004%	200	0,01%
Total operating income		2.384.385	100%	2.162.782	100%

Activities and salaries in accordance to the workprogram

Human Rights and Democratisation

	509.421	21,4%	564.431	26,1%
Freedom of Associations	167.452	7,0%	211.384	9,8%
Activity	52.624		105.457	
Activity staff	94.336		86.167	
Administrative staff	20.492		19.761	
Justice	60.423	2,5%	185.841	8,6%
Activity	32.488		69.879	
Activity staff	24.349		95.469	
Administrative staff	3.586		20.493	
Women's rights, Gender equality and mainstreaming	212.081	8,9%	150.116	7,0%
Activity	92.838		50.405	
Activity staff	87.118		72.222	
Administrative staff	32.126		27.488	
Human Rights Education Addressing Young People	69.464	2,9%	17.090	0,8%
Activity	27.624		2.144	
Activity staff	35.010		12.850	
Administrative staff	6.831		2.097	

Human Rights and Human Security

	486.314	20,4%	424.627	19,7%
Human Rights in the Middle East Conflict	212.950	8,9%	172.313	8,0%
Activity	70.932		50.671	
Activity staff	128.356		107.330	
Administrative staff	13.661		14.312	
The Rights of Migrants, Refugees and Asylum Seekers	273.197	11,5%	251.844	11,7%
Activity	116.365		148.402	
Activity staff	109.132		66.323	
Administrative staff	47.700		37.120	
Economic and Social Rights	168	0,0%	471	0,0%
Activity	0		0	
Activity staff	168		471	
Administrative staff	0		0	

Working Groups Total

	995.735	41,8%	989.058	45,8%
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Communications

	51.675	2,2%	49.942	2,3%
Activity	30.294		28.233	
Activity staff	21.381		21.709	
Administrative staff	0		0	

Networking Total

	1.047.410	44,0%	1.039.000	48,1%
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Income statement for 2011

	Notes	2011 EUR		2010 EUR
Membership Support		568.248	23,9%	378.041
Solidarity		382.843	16,1%	338.895
Activity		216.667		182.414
Activity staff		95.298		87.091
Administrative staff		70.879		69.390
Tunisia Mission		172.306	7,2%	0
Activity		94.517		0
Activity staff		71.759		0
Administrative staff		6.030		0
Training		13.099	0,5%	39.147
Activity		921		10.670
Activity staff		5.347		21.321
Administrative staff		6.831		7.156
Advocacy and dialog		209.041	8,8%	193.397
Activity		9.563		1.016
Activity staff		141.707		147.237
Administrative staff		57.771		45.143
Partnership		1.058	0,0%	4.128
Activity		1.058		4.128
Activity staff		0		0
Administrative staff		0		0
Executive Bodies and Membership		243.421	10,2%	262.030
Activity		110.365		89.887
Activity staff		48.664		91.365
Administrative staff		84.392		80.778
Fundraising		77.585	3,3%	79.651
Activity		2.952		5.278
Activity staff		74.634		74.373
Administrative staff		0		0
Total activities and salaries		2.146.762	90,1%	1.956.247
Activity		859.207		748.583
Activity staff		937.258		883.927
Administrative staff		350.298		323.737
Administration		234.879	9,9%	203.560
Staff development		17.018		16.616
Audit		14.094		12.919
Rent of Copenhagen office		39.703		42.493
Rent of other offices etc.		46.666		41.583
Depreciations	3	12.463		3.450
Other administrative expenses	4	104.936		86.498
Total expenses		2.381.642	100,0%	2.159.807

Income statement for 2011

	Notes	2011 EUR	2010 EUR
Profit before financial items and extra ordinary income and expences		2.743	2.975
Financial income	5	(6.767)	(2.715)
Morrocan Tender		0	7.755
Contributions		0	(10.000)
Other income		0	27
Profit for the year		(4.023)	(1.959)
Proposed distribution of loss			
Retained profit		(4.023)	(1.959)
		(4.023)	(1.959)

Balance sheet at 31.12.2011

	Notes	2011 EUR	2010 EUR
Computer equipment and other fixtures	3	13.937	5.494
Property, plant and equipment		13.937	5.494
Deposits	3	41.007	39.671
Fixed asset investments		41.007	39.671
Fixed assets		54.944	45.165
Prepaid expenses and deferred income		0	0
Debtors	6	283.468	138.758
Receivables		283.468	138.758
Cash at bank and in hand	7	1.893.810	1.852.237
Current assets		2.177.279	1.990.995
Assets		2.232.222	2.036.160

Balance sheet at 31.12.2011

	Notes	2011 EUR	2010 EUR
Retained profit		66.872	70.895
Equity	8	66.872	70.895
Prepaid contributions	9	1.382.801	1.282.333
Accrued subsidies	10	590.890	508.685
Deposits		6.364	4.753
Other liabilities	11	185.295	169.495
Current liabilities		2.165.350	1.965.265
Total liabilities		2.165.350	1.965.265
Equity and liabilities		2.232.222	2.036.160

1. Subsidies taken to income

	2011 EUR	2010 EUR
Subsidies taken to income		
EU Commission Freedom of Association	0	115.594
EU Commission Migration	181.576	233.107
EU Commission Countries at risk (Solidarity)	216.487	295.814
EU Commission Countries at risk 2 (Solidarity)	8.479	0
EU Commission Gender	133.226	0
SIDA 2010-2011, Core and activity	866.225	821.724
SIDA 2011, Tunisia Mission	83.594	0
SIDA Conference	0	19.774
Danida 2010-2011, Core and activity	416.107	416.107
Danida 2011, Tunisia Mission	88.711	0
Agencia Espanola de Cooperacion Internacional	90.355	100.993
Norway MFA	76.596	0
ACSUR	84.147	66.709
Church of Sweden	11.280	16.616
Ford Foundation	27.360	21.468
Arab Assoc.HR	0	8.000
FIDH	11.477	0
Stiftung Open Society Institute	88.664	46.676
	<u>2.384.285</u>	<u>2.162.582</u>

Expenses in connection with communication:

Direct expenses	51.675		49.942	
Salaries included in projects	69.149		57.848	
Translations	59.453		59.453	
Total Communication	180.277	7,6%	167.242	7,7%

Cost at 01.01.2011

Additions	1.335	20.906
Cost at 31.12.2011	<u>41.007</u>	<u>103.015</u>

Depreciation at 01.01.2011	0	(76.615)
Depreciation for the year	0	(12.463)
Depreciation at 31.12.2011	<u>0</u>	<u>(89.078)</u>
Carrying amount at 31.12.2011	41.007	13.937

Notes

	2011	2010
	EUR	EUR
4. Other administrative expenses		
Advertising		
Purchase of furniture	4.500	1.387
Purchase of computer equipment	6.497	1.333
Office supplies	22.014	17.376
Computer supplies	4.394	2.768
Communication	19.492	15.510
Insurance	10.559	8.329
Currency and bank commission	5.207	5.071
Web/internet	4.169	3.910
Recruiting fees	436	0
Credit card fees	432	346
Securex Bruxelles	7.655	3.596
ADP Paris	1.800	937
Dataløn fees (external payroll service)	920	996
Legal assistance	3.158	5.731
Social charges	5.557	5.131
Changes in provisions, holiday pay	-9.077	0
Other	17.224	14.079
	<u>104.936</u>	<u>86.498</u>
5. Financial Income		
Interest income, banks	169	(110)
Currency adjustments	(6.936)	(2.605)
	<u>(6.767)</u>	<u>(2.715)</u>
	2011	2010
	EUR	EUR
6. Debtors		
Euro-Mediterranean Foundation of Support to Human Rights	26.609	24.673
Agencia Espanola de Cooperacion Internacional	0	25.829
EU Commission	136.359	86.440
Norway MFA	76.596	0
ACSUR	13.807	0
FIDH	11.477	0
Others	18.621	1.816
	<u>283.468</u>	<u>138.758</u>

Notes

	<u>2011</u> <u>EUR</u>	<u>2010</u> <u>EUR</u>
7. Cash at bank and in hand		
Jyske Bank A/S, 7851 1128866, DKK	75	(98)
Jyske Bank A/S, 7851 1116283	3.666	35.745
Jyske Bank A/S, 7851 1200624, DKK	83.063	65.364
Jyske Bank A/S, 7851 1126720	429	15.188
Jyske Bank A/S, 7851 1192722, DKK	4	9.843
Jyske Bank A/S, 7851 1153625, USD	59	74.696
Jyske Bank A/S, 7851 124953-0	9.345	299.169
Jyske Bank A/S, 7851 1187706	68.028	70.298
Jyske Bank A/S, 7851 1137107	698.122	82.878
Jyske Bank A/S, 7851 1241909, DKK	12.320	7.882
Jyske Bank A/S, 7851 1167815	42.877	0
Jyske Bank A/S, 7851 1169316, DKK	4	4
Jyske Bank A/S, 7851 1217651	85.550	805.761
Jyske Bank A/S, 7851 1235620	197.467	58.606
Jyske Bank A/S, 5078 100909-2	117	153.433
Jyske Bank A/S, 5078 1013870	35	92.234
Jyske Bank A/S, 5078 103082-5, SEK	575.301	0
Jyske Bank A/S, 5078 106227-3, DKK	0	5.101
Jyske Bank A/S, 5078 106228-1, DKK	2.109	0
Jyske Bank A/S, 5078 106234-9, DKK	134	0
Jyske Bank A/S, 5078 106236-4, DKK	1.343	0
Dexia Banque, 3746684 and 5064445	38.698	37.644
Credit Paris 41020013019	45.396	33.269
AlhiBankAmman 107663 USD	0	1.409
AlhiBankAmman 107663-01 EUR	24.155	0
AlhibankAmman 107663 JOD	(11.418)	0
TNDBank 17535 TND	12.431	0
Petty cash	4.500	3.813
	<u>1.893.810</u>	<u>1.852.237</u>

Notes

	2011 EUR	2010 EUR
8. Equity		
Equity at 01.01.2011	70.895	72.854
Profit for the year	(4.023)	(1.959)
	<u>66.872</u>	<u>70.895</u>
9. Prepaid contributions		
SIDA	564.010	866.226
Danida	818.792	416.107
	<u>1.382.801</u>	<u>1.282.333</u>
	2011 EUR	2010 EUR
10. Accrued subsidies		
SIDA website and conference	1.337	1.337
EU Commission	309.073	415.137
Agencia Espanola de Cooperacion Internacional	76.547	0
SIDA Tunisia Mission	87.161	0
Danida Tunisia Mission	92.497	0
Ford Foundation 2009/10	0	27.360
ACSUR	0	2.340
Stiftung Open Society Institute	24.275	62.511
	<u>590.890</u>	<u>508.685</u>
11. Other liabilities		
Due income taxed at source, social security contributions, soc	20.623	24.942
Reserve for holiday pay	58.523	67.600
Holiday pay, other	0	1.221
Interest to be paid back	2.108	1.810
Audit and assistance	24.161	24.732
Others	79.880	49.191
	<u>185.295</u>	<u>169.495</u>