

**EuroMed Rights – Euro-Mediterranean
Human Rights Network**

Central Business Registration No: 25 15 54 67

**Vestergade 16, 2nd floor
DK-1456 Copenhagen K**

Annual Report 2018

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Association details

Association

EuroMed Rights – 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

Wadih Al-Asmar, President (Lebanon)*
Catherine Teule, Vice-President (France)*
Moataz El Fegiery, Treasurer (Egypt)*
Lubna Dawany (Jordan)*
Søs Nissen (Denmark)
Messaoud Romdhani (Tunisia)
Hamdi Shaqqura (Palestine)
Jamila Sayouri (Morocco)
Sara Prestianni (Italy)
Theodora Christou (United Kingdom)
Radostina Pavlova (Bulgaria)
David Bondia (Spain)

*Member of Quartet

Executive Director

Rasmus Alenius Boserup

Auditor

Deloitte Statsautoriseret Revisionspartnerselskab

The Annual Report was presented and adopted at the Executive Committee meeting on 15 June 2019.

Statement by Executive committee and Executive Director on the annual report

The Executive Committee and Director have today considered and adopted the annual report of EuroMed Rights – Euro-Mediterranean Human Rights Network for the financial year 1 January to 31 December 2018.

The annual report has been presented in accordance with the Danish Financial Statements Act governing reporting class A enterprises adapted to the Association's special circumstances.

In our opinion, the financial statements give a true and fair view of the Association's financial position at 31 December 2018 and of the results of its operations for the financial year 1 January to 31 December 2018.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

Copenhagen, 15 June 2019

Executive Director

Rasmus Alenius Boserup

Executive Committee

Wadiah Al-Asmar
President

Catherine Teule
Vice-President

Moataz El Fegiery
Treasurer

Lubna Dawany

Søs Nissen

Messaoud Romdhani

Hamdi Shaqqura

Jamila Sayouri

Sara Prestianni

Theodora Christou

Radostina Pavlova

David Bondia

Independent auditor's report

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

Opinion

We have audited the financial statements of the EuroMed Rights - Euro-Mediterranean Human Rights Network for the financial year 01.01.2018 - 31.12.2018, which comprise the accounting policies, income statement, balance sheet and notes. The financial statements are prepared in accordance with generally accepted accounting principles as described in the Summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the Association's financial position at 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018 in accordance with generally accepted accounting principles as described in the Summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's responsibilities for the audit of the financial statements* section of this auditor's report. We are independent of EuroMed Rights in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The Executive Committee and Executive Director's responsibilities for the financial statements

The Executive Committee and the Executive Director are responsible for the preparation of financial statements that give a true and fair view in accordance with generally accepted accounting principles as described in the Summary of significant accounting policies, and for such internal control as the Executive Committee and Executive Director deem necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Executive Committee and Executive Director are responsible for assessing the Association's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless the Executive Committee and Director either intends to liquidate the Network or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Committee and Executive Director.
- Conclude on the appropriateness of the Executive Committee and Executive Director's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events and conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Executive Committee and Executive Director's commentary

The Executive Committee and Executive Director are responsible for the Executive Committee and Executive Director's commentary.

Our opinion on the financial statements does not cover the Executive Committee and Executive Director's commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Executive Committee and Executive Director's commentary and, in doing so, consider whether the Executive Committee and Executive Director's commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Executive Committee and Executive Director's commentary provides the information required under generally accepted accounting principles.

Based on the work we have performed, we conclude that the Executive Committee and Executive Director's commentary is in accordance with the financial statements and has been prepared in accordance with generally accepted accounting principles. We did not identify any material misstatement of the Executive Committee and Executive Director's commentary.

Copenhagen, 15-06-2019

Deloitte

Statsautoriseret Revisionspartnerselskab

Business Registration No 33 96 35 56

Mogens Michael Henriksen

State-Authorised Public Accountant – Identification number (MNE) mne23309

Executive Committee and Director commentary

In the Executive Committee and Executive Director'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.

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 EuroMed Rights Annual Report of Activities 2018 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 2018

Coming from two consecutive years with deficits we managed to reach a small surplus in 2018, which fulfilled the financial expectations for the year.

Approximately 90% of all expenses are directly related to activities to promote and strengthen human rights and democratic reform within its regional mandate through civil society networking and cooperation. Administrative expenses are 10.7 % of the total expenses, which is 0.2% higher than 2017. This is primarily due to IT investments in a Cloud environment. The amount include rent of offices, audit and depreciation.

Based on the prepared budgets for future years, information about announced general and specific project grants, the Executive Committee and the Executive Director believe that the Association has sufficient available funds to carry out activities in the coming year.

Number of staff in EuroMed Rights offices

EuroMed Rights employees (interns not included)

31.12.2017

Total: 34

Copenhagen: 8

Brussels: 13

Paris: 3

Tunis: 10

EuroMed Rights employees (interns not included)

31.12.2018

Total: 38

Copenhagen: 8

Brussels: 15

Paris: 2

Tunis: 13

As of 1 June 2019 Mr. Rasmus Alenius Boserup took office as the Executive Director replacing Marc Schade-Poulsen who retired after being Executive Director for more than 22 years.

Executive Committee and Director commentary (continued)

Efficiency, productivity and equity

The annual report of activity shows that the EuroMed Rights 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 main donor requirements for per diems, accommodation and cheapest travel costs and applying wage levels corresponding to trade union agreements with public bodies.

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

The EuroMed Rights objective is to increase equity when opportunities arise. Meanwhile we aim to balance income and expenditures resulting to zero.

The expected development

In 2018 we signed contracts with Open Society Institute covering 2018-2020. Further, we expect to sign new contracts with Danish MFA covering Algeria 2019-2022, EU covering Egpt 2019-2020 and Norway MFA, SWISS MFA, Heinrich Böll Foundation and Fondation de France also covering 2019-2020. Together with the large contracts signed in 2017 with EU covering 2018-2020 and Danish MFA and SIDA covering the period until 2022, we expect to have financed our activities to a large extend for the coming years.

The level of activity in 2019 is expected to increase by 10-15% as a result of these contracts.

As reported last year, we are closing the Paris office end June 2019, which will partly reduce our administrative expenses in 2019 and have with full effect in 2020.

Court cases

In 2017 it was decided to close the Paris office by end June 2019. As a result of reducing staff in the Paris office 2017 for economic reasons, a terminated former employee has filed a law suit in the French Court of labour in order to receive a compensation. The case is ongoing and was expected to end in 2019, but for procedural reasons it has been postponed until 2020. The outcome of the case is presently unknown. It is our best estimate that a payment of compensation to the terminated employee will not exceed €25,000 including costs for handling the case. The estimated amount has been recognised as a provision.

Events after the balance 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 B enterprises adapted to the association's special circumstances.

In order to make a better presentation the income statement is now presented on one page compared to last year and accompanied by related notes. The accounting policy is unchanged compared to last year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

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, TND, NOK, SEK 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.

Accounting policies (continued)

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.

Salaries are allocated to activities according to estimated time spent on each activity.

Activity Staff are staff directly involved in the activity. Technical Staff are staff in support functions like Finance, Management and Administration. These salaries are allocated to activities proportionally to the salaries on Activity Staff

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 2018

	Notes	2018 EUR		2017 EUR	
Subsidies taken to income	2	3,725,301	99.1%	2,925,424	97.3%
Membership fees		6,270	0.2%	7,030	0.2%
Other income	3	25,924	0.7%	75,376	2.5%
Total operating income		3,757,495	100%	3,007,830	100%

Activities and salaries in accordance to the Thematic and Country Approaches and Other Activities

	Notes	2018 EUR		2017 EUR	
Total activities and salaries		3,321,697	89.3%	2,711,964	89.5%
Thematic approaches	4	930,866	25,0%	507,698	16,8%
Country approaches	5	1,354,847	36,4%	1,369,213	45,2%
Other activities	6	1,035,984	27,9%	835,053	27,5%
Administration		397,099	10.7%	319,203	10.5%
Audit		39,402		14,593	
Rent of Copenhagen office		52,164		53,161	
Rent of other offices etc,		70,689		62,170	
Depreciations	7	1,795		2,042	
Other administrative expenses	8	233,049		187,237	
Total expenses		3,718,796	100.0%	3,031,167	100.0%
Profit before financial items and extra ordinary income and expenses		38,699		-23,337	
Financial income/costs					
Financial income/costs	9	-17,456		-25,177	
Profit for the year		21,243		-48,514	
Proposed distribution of profit					
Retained profit		21,243		-48,514	
		21,243		-48,514	

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 EUR</u>	<u>2017 EUR</u>
Computer equipment and other fixtures	7	8,549	0
Property, plant and equipment		8,549	0
Fixed assets		8,549	0
Donor grants and other debtors	10	93,359	187,611
Deposits		73,712	69,493
Receivables		167,071	257,104
Cash at bank and in hand	11	1,209,733	2,651,657
Cash		1,209,733	2,651,657
Current Assets		1,385,353	2,908,761
Total Assets		1,385,353	2,908,761

	<u>Notes</u>	<u>2018 EUR</u>	<u>2017 EUR</u>
Equity beginning of year		5,437	53,951
Prime balance correction		0	0
Retained profit of the year		21,243	-48,514
Equity		26,680	5,437
Prepaid contributions and accrued subsidies	12	1,043,854	2,629,915
Provisions		25,000	25,000
Vendors and other liabilities	13	289,819	248,409
Short-term debt		1,358,673	2,903,324
Total liabilities		1,385,353	2,908,761
Equity and liabilities		1,385,353	2,908,761

Notes

1. Contingent Liability

EuroMed Rights has entered into rental agreements in Copenhagen, Brussels, Paris and Tunis. The rental agreements have a redeemable prior notice period of between 3 and 57 month, which equals a total potential liability of approx. EUR 99,302.

	2018	2017
	EUR	EUR
2. Subsidies taken to income		
EU, Syria 2015	0	88,401
EU, Tunisia 2015	122,383	153,436
EU, Egypt 2016	194,679	312,266
EU, Turkey 2018-2019	53,717	0
EU, HUB/Majalat 2018-2022	432,708	0
Open Society Foundation, 2015-2017	0	38,353
Open Society Foundation, Syria 2017-2018	13,958	20,443
Open Society Foundation, Core 2018-2020	200,618	0
Open Society Foundation, Egypt 2018-2020	48,856	0
Open Society Foundation, Tunis 2018-2020	2,892	0
SIDA, core and activity support 2014-2016	0	687,629
SIDA, core and activity support 2018-2022	969,010	0
Church of Sweden 2018-2020	49,423	52,657
Swedish Postcode Foundation	1,410	106,259
Danish MFA, DAPP, 2017-2022	779,333	892,680
Norwegian MFA, North Africa 2017-2018	559,248	430,455
Fondation de France 2018	30,000	0
Heinrich Böll Stiftung	7,448	15,842
Sigrid Rausing Trust Fund	112,684	117,432
Swiss MFA 2017-2018	147,611	17,196
Kulturstyrelsen 2017 – activity funds	0	8,327
Reimbursement to donors previous years	-677	-15,953
	3,725,301	2,925,424
3. Other income		
Won law suit against supplier	0	75,237
EMHRF GA Contribution	25,924	0
Other income	0	139
	25,924	75,376

EuroMed Rights

Notes	Activity	Activity staff	Technical staff	Total	Total
	2018	2018	2018	2018	2017
	EUR	EUR	EUR	EUR	EUR
4. Thematic approaches					
Shrinking space / Freedom of Association	258,007	234,681	45,463	538,151	108,632
Gender equality and women's rights	68,624	84,144	16,300	169,068	217,958
The Rights of Migrants, Refugees and Asylum Seekers	98,637	104,723	20,287	223,647	181,108
Economic and Social Rights	0	0	0	0	0
	425,268	423,548	82,050	930,866	507,698
5. Country approaches					
Tunisia	222,825	202,224	39,175	464,224	475,869
Algeria	30,859	6,508	1,261	38,628	73,367
Syria	6,085	42,638	8,260	56,983	194,094
Egypt	163,673	167,635	32,474	363,782	396,890
Palestine, Israel & the Palestinians	84,394	103,937	20,135	208,466	190,493
Morocco	102,201	45,931	8,898	157,030	35,949
Turkey	10,252	46,478	9,004	65,734	2,551
	620,289	615,351	119,207	1,354,847	1,369,213
6. Other activities					
Advocacy & Training	8,609	208,151	40,323	257,083	242,375
Project Monitoring & Evaluation	24,518	1,046	202	25,766	0
Communication	10,750	209,386	40,563	260,699	283,041
Members & Partnership	502	0	0	502	792
Executive Bodies	196,214	1,316	254	197,784	126,121
Fundraising	3,466	75,665	14,659	93,790	93,396
Human resources	65,710	112,798	21,852	200,360	89,328
	309,769	608,362	117,853	1,035,984	835,053
Total activities and salaries	1,355,326	1,647,261	319,109	3,321,697	2,711,964

EuroMed Rights

Notes

	2018	2017
	EUR	EUR
7. Fixed assets – Computer equipment		
Cost at beginning of year	64,387	64,387
Additions	10,344	0
Disposals	0	0
Cost at the end of year	74,731	64,387
Depreciation at beginning of year	-64,387	-62,345
Depreciation for the year	-1,795	-2,042
Depreciation at the end of year	-66,182	-64,387
Carrying amount at date of balance	8,549	0
	2018	2017
	EUR	EUR
8. Other administrative expenses		
Purchase of furniture	16,635	4,756
Purchase of computer equipment	14,827	12,503
Office supplies and other operating costs	42,832	32,706
Computer supplies	3,639	2,522
Communication	7,270	21,620
Insurance	14,861	10,297
Web/internet	8,271	8,936
IT support	83,403	45,974
Staff development	4,140	904
External payroll service Brussels	21,219	13,479
External payroll service Paris	2,327	1,967
External payroll service Copenhagen	926	1,052
Legal assistance	3,375	4,350
Maintenance and repairs	9,324	26,171
	233,049	187,237
9. Financial Income/costs		
Interest income/costs, banks	321	-664
Currency adjustments and bank fees	-17,777	-24,513
	-17,456	-25,177

Notes	2018	2017
	EUR	EUR
10. Donor grants and other debtors		
Open Society Foundation, Syria 2017-2018	0	20,443
Symposium – earmarked subsidies	0	677
EU, Syria 2015	0	133,414
EU, Egypt 2016	30,666	0
EU, HUB/Majalat 2018-2022	3,257	0
Open Society Foundation, Egypt 2018-2020	4,538	0
Fondation de France 2018	7,500	0
Heinrich Böll Stiftung	5,424	0
Swiss MFA 2017-2018	17,344	0
CIHRS Egypt – frozen funds	16,554	0
Others	8,076	33,077
	93,359	187,611
	2018	2017
	EUR	EUR
11. Cash at bank and in hand		
Jyske Bank A/S, 7851 1128866 DKK	11,063	21,546
Jyske Bank A/S, 7851 1116283	20,303	1,090,935
Jyske Bank A/S, 7851 1200624 DKK	952	-1,763
Jyske Bank A/S, 7851 1126720	241,753	127,589
Jyske Bank A/S, 7851 1241909 DKK	149,052	47,413
Jyske Bank A/S, 7851 1217651	599,978	1,112,018
Jyske Bank A/S, 5078 1009092	109,845	119,915
Jyske Bank A/S, 5078 1013870	943	8,958
Jyske Bank A/S, 7851 1153625 USD	349	22,253
Jyske Bank A/S, 5078 1140889 DKK	1,035	3,056
Jyske Bank A/S, 5078 1062356 DKK	250	1,480
Jyske Bank A/S, 5078 1201376 NOK	0	18
Belfius Bank	3,609	14,927
Credit Paris 41020013019	24,197	30,438
TNDBank 940091 TND	0	1,039
TNDBank 58106 TND	26,098	17,596
TND Symp. Bank 92014 TND	5,710	6,477
BMCE Bank, Rabat 1211078 MAD	7,613	21,136
Ahli BankAmman 107663 JOD	2,243	2,323
Petty cash	4,740	4,303
	1,209,733	2,651,657

Notes	2018	2017
	EUR	EUR
12. Prepaid contributions and accrued Subsidies		
EU, Syria Solidarity	594	0
EU, Syria 2015	22,538	82,050
EU, Egypt 2016	0	19,102
EU, Turkey 2018-2019	19,273	132,796
EU, HUB/Majalat 2018-2022	0	957,338
Open Society Foundation, Syria 2017-2018	8,779	0
Open Society Foundation, Core 2018-2020	153,929	0
Open Society Foundation, Tunis 2018-2020	41,427	0
SIDA, core and activity support 2018-2022	620,980	1,008,319
Swedish Postcode Foundation	0	21,149
Danish MFA, DAPP, 2017-2022	66,490	82,640
Norwegian MFA, North Africa 2017-2018	0	70,770
Heinrich Böll Stiftung	0	1,005
Sigrid Rausing Trust Fund	109,844	112,684
Swiss MFA 2017-2018	0	68,260
Others	0	73,802
	1,043,854	2,629,915
13. Vendors and other liabilities		
Due income taxes and social charges	1,986	6,322
Reserve for holiday pay	153,229	143,743
Deposits received	6,799	6,240
Audit and assistance	20,700	3,375
Social taxes France	24,788	30,444
Social taxes Tunis	17,244	0
Translator	7,046	20,313
Others	58,027	37,972
	289,819	248,409