

**Euro-Mediterranean Human Rights
Network**

**Central Business Registration No: 25 15
54 67**

Annual report 2014

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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

Michel Tubiana, President (France)
Nassera Dutour, Vice-President (Algeria)
Moataz El Fegier, Treasurer (Egypt)
Anitta Kynsilehto (Finland)
Eugenia Papamakariou (Greece)
Isaías Barreñada (Spain)
Raffaella Bolini (Italy)
Søs Nissen (Denmark)
Alya Chammari (Tunisia)
Ayachi Hammami (Tunisia)
Mahmoud M. AbuRahma (Palestine)
Osman Isci (Turkey)

Executive Director

Marc Schade-Poulsen

Auditor

Deloitte Statsautoriseret Revisionspartnerselskab

The Annual Report was presented and adopted at the General Assembly on 14 June 2015.

Statement by Management on the annual report

We have today considered and adopted the annual report of the Euro-Mediterranean Human Rights Network for the financial year 1 January to 31 December 2014.

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 2014 and of the Association's financial performance for the financial year 1 January to 31 December 2014. 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, 14 June 2015

Executive Director

Marc Schade-Poulsen

Executive Committee

Michel Tubiana
President

Nassera Dutour
Vice-President

Moataz El Fegier
Treasurer

Anitta Kynsilehto

Eugenia Papamakariou

Isaías Barreñada

Raffaella Bolini

Søs Nissen

Alya Chammari

Ayachi Hammami

Mahmoud M. AbuRahma

Osman Isci

Independent auditor's reports

To the Board of the Euro-Mediterranean Human Rights Network

Report on the financial statements

We have audited the financial statements of Euro-Mediterranean Human Rights Network for the financial year 1 January to 31 December 2014, which comprise the accounting policies, income statement, balance sheet and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act governing reporting class A enterprises adapted to the association's special circumstances.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Association's preparation of financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the financial statements.

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 financial statements give a true and fair view of the Association's financial position at 31 December 2014 and of the results of its operations for the financial year 1 January to 31 December 2014 in accordance with the Danish Act.

Independent auditor's reports

Emphasis of matter affecting the financial statements

Without qualifying our auditor's report, we point out the claim against a supplier mentioned in note 1 to the financial statements and uncertainty relating to financial reporting on a project mentioned note 2 to the financial statements.

Statement on the management commentary

We have read the management commentary. We have not performed any further procedures in addition to the audit of the financial statements.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the financial statements.

Copenhagen, 14 June 2015

Deloitte

Statsautoriseret Revisionspartnerselskab

Christian Dalmose Pedersen

State Authorised Public Accountant

Management commentary

In the 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.

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 2014 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 2014

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

Around 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 co-operation. Administrative expenses are 10.1% of the total expenses. This amount include rent of offices, audit and depreciation.

Based on the prepared budgets for future years, information about announced general and specific project grants, and based on an assessment of the ongoing issue with AECID as mentioned in note 2 to the financial statements, 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 EMHRN offices

EMHRN employees (interns not included)

31.12.2013

Total: 30

Copenhagen: 8

Brussels: 10

Paris: 5

Amman: 3

Tunis: 4

EMHRN employees (interns not included)

31.12.2014

Total: 35

Copenhagen: 9

Brussels: 10

Paris: 6

Amman: 0

Tunis: 10

Management commentary

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 main 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.

An independent evaluation report of EMHRN's activities on Algerian, Tunisia, Syria and Freedom of Association concluded that 'Project management has proven to be efficient in the use of resources in relation to the difficulties of the context' (Evaluation Report; Supporting human rights defenders and organisations in Syria, Algeria and Tunisia and promoting the right to freedom of association, assembly and movement in the South Mediterranean countries, Madrid 2014).

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 objective 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 2014 the Association signed a contract with Danida and Sida that will cover 2014 and 2015. It is expected that the Association will continue being an implementing partner to Danida and Sida in the years to follow. EMHRN has also signed two contracts with the Norwegian Ministry of Foreign Affairs and new contract with the European Commission on Egypt.

Final discussions are taking place with Open Society Foundation and the European Commission on new contracts for activities on Syria, Palestine/Israel and Communication and Advocacy.

The level of activity is expected to increase slightly compared with 2014 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 adapted to the association's special circumstances. 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, TND and DKK. The Association does not make hedging of the accounts, which means that currency risks are attached to the accounts.

Changes in the presentation of income statement

In 2014 EMHRN implemented a new finance software, Navision 2013 partly due to new and more complex donor requirements. The new software has made it possible to track more information and also cross cut information on several dimensions like expenses on countries, regions, activities and budget items.

In 2014 technical staff is calculated as a percentage of the activity staff compared to 2013 when it was partly based on time registration and in 2014 IT support is taken as an administrative expense and not as a salary costs. Comparative figures to 2013 is available.

The cost sharing between the EMHRN and EMHRF has been calculated differently from 2013. Office rent is therefore included at a higher cost in 2014 and office expenses correspondingly lower.

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.

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 2014

	Notes	2014 EUR		2013 EUR	
Subsidies taken to income	3	3.563.939	99,5%	3.192.238	99,7%
Membership fees		5.740	0,2%	7.410	0,2%
Other income		13.524	0,4%	1.840	0,1%
Total operating income		3.583.203	100%	3.201.488	100%

Activities and salaries in accordance to the Thematic and Country Approaches

	Notes	2014 EUR		2013 EUR	
Thematic Approaches		1.156.946	32,4%	1.184.643	38,0%
Freedom of Association		239.069	6,7%	232.895	7,5%
Activity		140.977		124.510	
Activity staff		71.081		85.453	
Technical staff		27.011		22.931	
Justice		188.173	5,3%	138.073	4,4%
Activity		85.887		59.781	
Activity staff		74.120		77.139	
Technical staff		28.166		1.153	
Conflict situations		248.243	7,0%	287.027	9,2%
Activity		113.552		136.521	
Activity staff		97.602		134.090	
Technical staff		37.089		16.416	
Gender equality and women's rights		269.010	7,5%	328.773	10,6%
Activity		98.399		162.363	
Activity staff		123.631		143.301	
Technical staff		46.980		23.109	
The Rights of Migrants, Refugees and Asylum Seekers		212.452	6,0%	197.529	6,3%
Activity		102.345		98.982	
Activity staff		79.788		77.090	
Technical staff		30.319		21.457	
Economic and Social Rights		0	0,0%	346	0,0%
Activity staff		0		346	

Income statement for 2014

	Notes	2014 EUR		2013 EUR	
Country Approaches		917.554	25,7%	665.564	21,4%
Tunisia incl. Maghreb		445.938	12,5%	231.755	7,4%
Activity		211.783		110.886	
Activity staff		169.677		115.148	
Technical staff		64.477		5.722	
Algeria		159.590	4,5%	145.156	4,7%
Activity		70.061		63.247	
Activity staff		64.876		73.290	
Technical staff		24.653		8.620	
Syria		312.026	8,7%	288.652	9,3%
Activity		143.912		151.058	
Activity staff		121.822		129.011	
Technical staff		46.292		8.583	
Capacity Building Activities		55.169	1,5%	13.651	0,4%
Training and Human Rights Education		55.169	1,5%	13.651	0,4%
Activity		20.122		11.628	
Activity staff		30.379		485	
Technical staff		4.668		1.537	
Advocacy		362.328	10,1%	319.527	10,3%
Activity		20.122		15.512	
Activity staff		296.624		291.632	
Technical staff		45.582		12.383	
Communication		306.148	8,6%	165.007	5,3%
Activity		54.873		34.459	
Activity staff		182.083		130.549	
Technical staff		69.192		0	
Members and partnership		661	0,0%	4.239	0,1%
Activity		661		4.239	
Executive Bodies		179.312	5,0%	212.462	6,8%
Activity		90.708		87.243	
Activity staff		64.206		46.932	
Technical staff		24.398		78.287	

Income statement for 2014

	Notes	2014 EUR	2013 EUR
Fundraising		93.485	86.278
Activity		6.873	3.114
Activity staff		62.763	48.412
Technical staff		23.850	34.752
Human resources		138.049	82.892
Activity		55.674	36.562
Activity staff		82.375	46.330
Technical staff		0	0
Total activities and salaries		3.209.653	2.734.262
Activity		1.215.950	1.100.104
Activity staff		1.521.026	1.399.208
Technical staff		472.677	234.950
Administration		360.096	380.064
Audit		18.678	25.675
Rent of Copenhagen office		62.746	50.928
Rent of other offices etc.		91.615	64.167
Depreciations	4	19.487	15.750
Other administrative expenses	5	167.570	223.545
Total expenses		3.569.749	3.114.327
Profit before financial items and extra ordinary income and expenses		13.454	87.161
Other expenses			
Renovation of Brussels and Tunis offices		0	62.488
		13.454	24.674
Financial income			
Financial income	6	(7.714)	(14.373)
Profit for the year		5.740	10.301
Proposed distribution of profit			
Retained profit		5.740	10.301
		5.740	10.301

Balance sheet at 31.12.2014

	Notes	2014 EUR	2013 EUR
Computer equipment and other fixtures	4	34.812	33.911
Property, plant and equipment		34.812	33.911
Deposits	4	46.950	42.962
Fixed asset investments		46.950	42.962
Fixed assets		81.762	76.872
Debtors	7	181.119	589.476
Receivables		181.119	589.476
Cash at bank and in hand	8	1.475.536	706.730
Current assets		1.656.655	1.296.205
Assets		1.738.417	1.373.078

	Notes	2014 EUR	2013 EUR
Retained profit		101.872	96.132
Equity	9	101.872	96.132
Prepaid contributions	10	556.845	536.913
Accrued subsidies	11	808.346	518.774
Deposits		5.399	5.399
Other liabilities	12	265.955	215.860
Current liabilities		1.636.545	1.276.945
Total liabilities		1.636.545	1.276.945
Equity and liabilities		1.738.417	1.373.078

Notes

1. Claim against supplier

In 2012, the EMHRN signed a photocopier leasing contract. It is the Management's opinion that the supplier - through fraud and misleading and non-transparent information - led the EMHRN to enter into this agreement in which there is a significant disparity between the value of the leased equipment and the financial commitment supported by the EMHRN. In 2013, the EMHRN brought a court claim against the supplier with the aim of securing financial compensation. The District Court (first instance), however, did not follow EMHRN's argumentation and rejected its claim by judgement of 3 November 2014. In consultation with its lawyer, EMHRN has appealed the judgement to High Court of Eastern Denmark, asking for a financial compensation of EUR 96.847,65 (alternatively EUR 80.198,154). The main hearing before the High Court of Eastern Denmark is expected to take place on 26 November 2015. EMHRN's lawyer has stated that it is likely but not guaranteed that the High Court of Eastern Denmark will side with EMHRN. On such basis, as presented in its annual report, the EMHRN has decided to continue meeting its financial obligations under the contested leasing agreement until a final court decision is made, while making it clear to the supplier that it did not recognise the validity of the lease agreement nor its obligations hereof.

2. Uncertainty relating to financial reporting on project

EMHRN received two grants from the Spanish Cooperation and International Development Agency (AECID) respectively EUR 144.979 for a Justice project in 2008 and EUR 192.713 for a Gender project in 2010. Both projects were implemented as expected, without AECID comments on activities. However, in both cases AECID did not fully approve the financial reports although co-funding for the same projects, including funding from the European Commission, have been fully approved. EMHRN is currently revising and adding documentation to AECID aiming at limiting possible reimbursement. Approval procedures are expected to extend over several years.

Given the uncertainty of AECID's final decision, EMHRN set aside EUR 76.547 to cover for the eventual reimbursement requests.

	2014	2013
	EUR	EUR
3. Subsidies taken to income		
EU Commission Countries at risk 2 (Solidarity)	370.285	364.524
EU Commission Gender	58.125	240.000
EU Commission, IEVP Sud - Facilité Société Civile	93.288	0
EPIM	23.000	0
Sida 2012-2013, Core and activity	70.401	1.131.840
Sida 2014-2016, Core and activity	650.460	0
Danida 2014-2016, Core and activity	1.615.260	962.551
Danida SOL Syria	169.220	57.343
French Ministry of Foreign Affairs	1.382	3.566
Norway MFA	0	91.125
Church of Sweden	0	11.500
Ministry of Foreign Affairs Netherlands	46.771	0
Stiftung Open Society Institute	411.744	329.788
Germany MFA	19.940	0
CCFD	1.200	0
British Council	31.617	0
Culture Funds DK - Kulturstyrelsen	1.246	0
	3.563.939	3.192.238

Notes

	Computer equip- ment EUR	Deposits EUR
4. Fixed assets		
Cost at 01.01.2014	43.596	42.962
Additions	20.388	3.988
Disposals	0	0
Cost at 31.12.2014	63.984	46.950
Depreciation at 01.01.2014	-9.685	0
Depreciation for the year	-19.487	0
Depreciation at 31.12.2014	-29.172	0
Carrying amount at 31.12.2014	34.812	46.950
	2014 EUR	2013 EUR
5. Other administrative expenses		
Purchase of furniture	4.386	1.714
Purchase of computer equipment	5.732	6.174
Office supplies and other operating costs	42.209	52.707
Computer supplies	1.356	8.885
Communication	13.052	22.728
Insurance	7.356	14.778
Currency and bank commission	12.348	14.098
Web/internet	4.756	9.294
IT support	44.602	43.247
Staff development	4.104	466
Credit card fees	511	262
External payroll service Bruxelles	8.490	10.607
External payroll service Paris	1.752	1.163
External payroll service Copenhagen	932	941
Legal assistance	11.186	10.784
Social charges	0	-10.197
Other	4.799	35.893
	167.570	223.545
6. Financial Income		
Interest income, banks	474	412
Currency adjustments	-8.189	-14.786
	-7.714	-14.373

Notes

	2014	2013
	EUR	EUR
7. Debtors		
Euro-Mediterranean Foundation of Support to Human Rights Defenders	20.598	37.009
EU Commission	120.001	399.488
Stiftung Open Society Institute	0	127.039
British Council	9.080	0
Church of Sweden	11.500	11.500
Others	19.940	14.440
	181.119	589.476

	2014	2013
	EUR	EUR
8. Cash at bank and in hand		
Jyske Bank A/S, 7851 1128866, DKK	5.647	4.373
Jyske Bank A/S, 7851 1116283	343	3.549
Jyske Bank A/S, 7851 1200624, DKK	13.247	-20.790
Jyske Bank A/S, 7851 1126720	1.470	3.286
Jyske Bank A/S, 7851 1192722, DKK	0	4
Jyske Bank A/S, 7851 124953-0	0	1.798
Jyske Bank A/S, 7851 1187706	0	565
Jyske Bank A/S, 7851 1137107	0	5.169
Jyske Bank A/S 7851 111721-8	478	1.146
Jyske Bank A/S, 7851 1241909, DKK	274.740	395.865
Jyske Bank A/S, 7851 1167815	0	5.057
Jyske Bank A/S, 7851 1169316, DKK	0	4
Jyske Bank A/S, 7851 1217651	235.193	143.270
Jyske Bank A/S, 7851 1235620	408	-29.872
Jyske Bank A/S, 5078 100909-2	557.012	0
Jyske Bank A/S, 5078 1013870	35	35
Jyske Bank A/S, 5078 103082-5, SEK	13	9
Jyske Bank A/S 7851 1153625, USD	214.104	0
Jyske Bank A/S 5078 0001140889	258	0
Jyske Bank A/S, 5078 106228-1, DKK	0	929
Jyske Bank A/S, 5078 106234-9, DKK	0	400
Jyske Bank A/S, 5078 106235-6, DKK	0	3.525
Jyske Bank A/S, 5078 109434-2, DKK	0	1.692
Jyske Bank A/S 5078 111247-4 DKK	0	1.743
Dexia Banque, 3746684 and 5064445	13.373	21.243
Credit Paris 41020013019	98.517	66.901
TNDBank 940091 TND	41.636	40.019
AlhiBankAmman 107663 USD	0	677
AlhiBankAmman 107663-01 EUR	0	19.085
AlhibankAmman 107663 JOD	2.548	3.372
TNDbank 58106 TND	8.658	30.444
Petty cash	7.857	3.232
	1.475.536	706.730

Notes

	2014	2013
	EUR	EUR
9. Equity		
Equity at 01.01.2014	96.132	85.832
Profit for the year	5.740	10.301
	101.872	96.132
	2014	2013
	EUR	EUR
10. Prepaid contributions		
EU Commission, EIDHR Egypt	484.941	0
Norway MFA, co-funding Egypt	71.904	0
Danida	0	536.913
	556.845	536.913
	2014	2013
	EUR	EUR
11. Accrued subsidies		
Agencia Espanola de Cooperacion Internacional	76.547	76.547
SIDA	0	70.401
Danida	532.391	0
Danida Tunisia Mission	0	13.981
Danida SOL Syria	148.846	318.066
French Embassy Tunis	0	1.382
Dutch Embassy Tunis	0	38.397
EU Commission, IEVP Sud - Facilité Société Civile	50.562	0
	808.346	518.774
	2014	2013
	EUR	EUR
12. Other liabilities		
Due income taxes and social charges	2.244	2.266
Reserve for holiday pay	94.688	84.391
Interest to be paid back	0	439
Audit and assistance	19.000	20.805
Others	150.023	107.959
	265.955	215.860