

Arkiv

PricewaterhouseCoopers  
Statsautoriseret Revisionsaktieselskab  
Strandvejen 44  
PO Box 2709  
DK-2900 Hellerup  
Telephone +45 39 45 39 45  
Facsimile +45 39 45 39 87

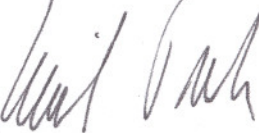
# **Euro-Mediterranean Foundation of Support to Human Rights Defenders**

**CVR No 28 47 85 26**

**Annual Report for 2004/2005**

The Annual Report was presented  
and adopted at the Board Meeting  
of the Foundation on 31 / 3 2006

**Chairman**



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## Management's Statement on the Annual Report

Management has today considered and adopted the Annual Report of Euro-Mediterranean Foundation of Support to Human Rights Defenders for the financial year 26 November 2004 - 31 December 2005.

The Annual Report was prepared in accordance with the Danish Act on Foundations and Associations. We consider the accounting policies applied appropriate and the estimates made reasonable. Furthermore, we consider the overall annual report presentation 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 of the Foundation.

None of the Foundations 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.

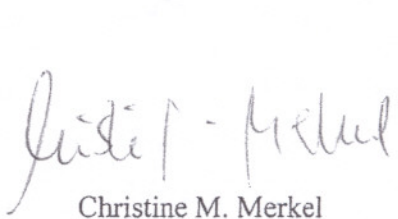
We recommend that the Annual Report be adopted at the Annual Board Meeting.

Copenhagen 31/03 2006

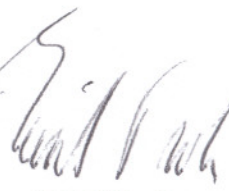
### Board



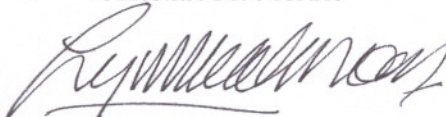
Driss El Yazami



Christine M. Merkel



Eskil Trolle



Lynn Welchman

Hanny Megally

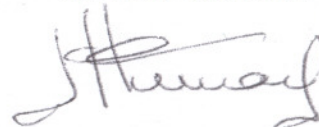
Bahey El Din Hassan

Kamel Jendoubi



Salima Ghezali

Khémaïs Chammari





## Auditor's Report

### To the Board of Euro-Mediterranean Foundation of Support to Human Rights Defenders

We have audited the Annual Report of Euro-Mediterranean Foundation of Support to Human Rights Defenders for the financial year 26 November 2004 - 31 December 2005, prepared in accordance with the Danish Act on Foundations and Associations.

The Annual Report is the responsibility of the Management of the Foundation. Our responsibility is to express an opinion on the Annual Report based on our audit.

### Basis of Opinion

We conducted our audit in accordance with Danish Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance that the Annual Report is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Annual Report. An audit also includes assessing the accounting policies applied and significant estimates made by Management, as well as evaluating the overall annual report presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not resulted in any qualification.

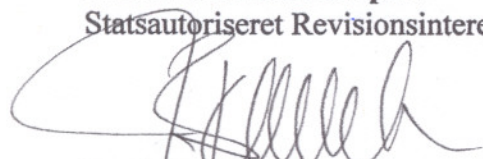
### Opinion

In our opinion, the Annual Report gives a true and fair view of the financial position at 31 December 2005 of the Foundation and of the results of the Foundation's operations for the financial year 26 November 2004 - 31 December 2005 in accordance with the Danish Act on Foundations and Associations.

Copenhagen <sup>31</sup> 13 2006

**PricewaterhouseCoopers**

Statsautoriseret Revisionsinteressentskab



Jacob F. Christiansen

State Authorised Public Accountant

## **Management's Review and Comments**

In Management's opinion, all information material to the assessment of the Foundation'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 Foundation aims at supporting human rights organisations and defenders in the Euro-Mediterranean region.

The Foundation was established on November 26, 2004 and launched on December 9, 2004 by the Euro-Mediterranean Human Rights Network (EMHRN) and started its activities in 2005 with generous contributions from the Danish International Development Agency, the Swedish International Development Cooperation Agency and the Netherlands Ministry of Foreign Affairs.

The Foundation is established as an independent legal entity in Denmark and the Board, the highest authority of the Foundation, consists of an equal number of EU and non-EU resident members who fulfil their functions on a voluntary basis.

For further description of the activities, we refer to the "annual narrative report", which can be requested at the office in Copenhagen.

### **The financial development and activities in 2004/2005**

Due to the political environment in the Euro-Mediterranean region, the activities of the Foundation increased and proceeded well over the year 2005. The financial development did not differ from expectations.

### **The expected development**

For the financial year 2006, Management expects an activity that levels or exceeds 2005. The income statement is expected to show a result of approx. EUR 0.

The Foundation has signed a contract for the years 2006-2008 with the Netherlands Ministry of Foreign Affairs. Furthermore, the Swedish International Development Cooperation Agency awarded a grant to the Foundation for the year 2006. The Foundation approached other public agencies in order to look into possibilities of future financial support for the years 2006-2008. In the future, the Foundation expects to raise funds from private institutions in order to diversify its funding sources.



## **Accounting Policies**

### **Basis of preparation**

The Annual Report of Euro-Mediterranean Foundation of Support to Human Rights Defenders has been prepared in accordance with Danish accounting legislation, generally accepted Danish accounting principles and the provisions of the Danish Act on Foundations and Associations.

As this is the first Annual Report prepared by the Foundation, the income statement includes no comparative figures. The opening balance sheet of the Foundation at 26 November 2004 has been stated as comparative figures in the balance sheet at 31 December 2005.

The amounts in EUR have been calculated on the basis of an exchange rate of DKK 7.45.

### **Recognition and measurement**

The financial statements have been prepared under the historical cost method.

Income is recognised as subsidies are received. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised costs 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 attributable to the asset will flow to the Foundation, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Foundation, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost.

DKK is used as the measurement currency. All other currencies are regarded as foreign currencies.

### **Income statement**

#### **Recognition of income**

Income is recognised as subsidies are received.

Expenses paid prior to the 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.

## **Accounting Policies**

### **Income statement (continued)**

#### **Taxes**

The Foundation's tax liability has been calculated according to Danish tax rules applying to foundations and associations.

#### **Balance sheet**

#### **Liabilities**

Liabilities are measured at nominal value.



## Profit and loss account 26 November 2004 - 31 December 2005

	Note	2004/2005 DKK	2004/2005 EUR
Subsidies received	1	3.395.892	455.824
<b>Total operating income</b>		<b>3.395.892</b>	<b>455.824</b>
Salaries and wages	2	246.087	33.032
Per Diem		53.849	7.227
Activity expenses	3	227.716	30.566
Administrative expenses	4	239.725	32.178
<b>Profit/loss before financial items</b>		<b>2.628.515</b>	<b>352.821</b>
Financial income	5	29.450	3.953
<b>Profit/loss before tax and grant support</b>		<b>2.657.965</b>	<b>356.774</b>
Grant support allocated in 2005	6	790.192	106.066
Provisions for grant support allocated in 2005	6	1.855.515	249.063
<b>Profit/loss before tax</b>		<b>12.258</b>	<b>1.645</b>
Tax		0	0
<b>Profit/loss</b>		<b>12.258</b>	<b>1.645</b>

### Distribution of profit/loss

Basic capital	3.432	460
Distributable capital	8.826	1.185
	<b>12.258</b>	<b>1.645</b>



## Balance sheet 31 December

### Assets

	Note	31 December 2005 DKK	31 December 2005 EUR	26 November 2004 EUR
Cash at bank and in hand	7	303.432	40.729	40.269
<b>Restricted assets</b>		<b>303.432</b>	<b>40.729</b>	<b>40.269</b>
Prepaid expenses and deferred income		14.268	1.915	0
Cash at bank and in hand	7	3.171.732	425.736	0
<b>Available assets</b>		<b>3.186.000</b>	<b>427.651</b>	<b>0</b>
<b>Total assets</b>		<b>3.489.432</b>	<b>468.380</b>	<b>40.269</b>

## Balance sheet 31 December

### Liabilities and equity

	Note	31 December 2005 DKK	31 December 2005 EUR	26 November 2004 EUR
Basic capital		303.432	40.729	40.269
Distributable capital		8.826	1.185	0
<b>Equity</b>	<b>10</b>	<b>312.258</b>	<b>41.914</b>	<b>40.269</b>
Provisions for grant support allocated		1.855.515	249.062	0
<b>Provisions</b>		<b>1.855.515</b>	<b>249.062</b>	<b>0</b>
Current account EMHRN		195.609	26.257	0
Accrued subsidies	8	506.861	68.035	0
Other liabilities	9	33.021	4.432	0
Creditors		586.168	78.680	0
<b>Current liabilities</b>		<b>1.321.659</b>	<b>177.404</b>	<b>0</b>
<b>Total liabilities</b>		<b>1.321.659</b>	<b>177.404</b>	<b>0</b>
<b>Total liabilities and equity</b>		<b>3.489.432</b>	<b>468.380</b>	<b>40.269</b>



## Notes to the Annual Report

	2004/2005	2004/2005
	DKK	EUR
<b>1 Subsidies taken to income</b>		
Danida	1.125.000	151.007
Netherlands MFA	416.142	55.857
SIDA	1.854.750	248.960
	<b>3.395.892</b>	<b>455.824</b>
<b>2 Salaries and wages</b>		
Co-ordinator's	245.192	32.912
Social charges	895	120
	<b>246.087</b>	<b>33.032</b>
<b>3 Activity expenses</b>		
Air Travel	51.244	6.878
Transport, airport/hotel	10.631	1.427
Rental of office and congress room	10.178	1.366
Working lunch, receptions, coffee breaks	2.660	357
Author fees	37.000	4.966
Translation and proof reading	31.853	4.276
Rental of interpretation equipment	6.794	912
Honoraria, speakers & experts	56.000	7.517
Interpreters	21.356	2.867
	<b>227.716</b>	<b>30.566</b>
<b>4 Administrative expenses</b>		
Rental of a/c programs	5.547	745
Office supplies	13.368	1.794
Currency and bank commissions	1.089	146
Dataløn fees	1.897	255
Administration EMHRN	217.824	29.238
	<b>239.725</b>	<b>32.178</b>

## Notes to the Annual Report

	<u>2004/2005</u>	<u>2004/2005</u>
	DKK	EUR
<b>5 Financial income</b>		
Interest income, banks	27.092	3.637
Currency adjustments	2.358	316
	<u>29.450</u>	<u>3.953</u>
<b>6 Grant support allocated in 2005</b>		
Grant support allocated in 2005	790.192	106.066
Provisions for grant support allocated in 2005	1.855.515	249.063
	<u>2.645.707</u>	<u>355.129</u>
	<u>2005</u>	<u>2005</u>
	DKK	EUR
<b>7 Cash at bank and in hand</b>		
Jyske Bank 1188126	303.432	40.729
<b>Restricted assets</b>	<u>303.432</u>	<u>40.729</u>
Jyske Bank 1188837	2.366.881	317.702
Jyske Bank 1200707	804.851	108.034
<b>Available assets</b>	<u>3.171.732</u>	<u>425.736</u>



## Notes to the Annual Report

### 8 Accrued subsidies

Netherlands MFA	506.861	68.035
	<u>506.861</u>	<u>68.035</u>

### 9 Other liabilities

Reserve for holiday payment	14.088	1.891
Due A-income taxes	2.454	329
Due AM contribution	1.779	239
Due social charges	14.700	1.973
	<u>33.021</u>	<u>4.432</u>

### 10 Equity

The movements in the equity are specified as follows:

	Basic capital	Distributable capital	Total
	DKK	DKK	DKK
Equity 26 November 2004	300.000	0	300.000
Profit/loss for the period	3.432	8.826	12.258
<b>Equity 31 December 2005</b>	<b><u>303.432</u></b>	<b><u>8.826</u></b>	<b><u>312.258</u></b>

	Basic capital	Distributable capital	Total
	EUR	EUR	EUR
<b>Equity 31 December 2005</b>	<b><u>40.729</u></b>	<b><u>1.185</u></b>	<b><u>41.914</u></b>