

Euro-Mediterranean Foundation of Support to Human Rights Defenders

**Central Business Registration No:
28 47 85 26**

Annual report 2006

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Foundation details

Foundation

Euro-Mediterranean Foundation of Support to Human Rights Defenders
Vestergade 16, 2.
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Central Business Registration No: 28 47 85 26

Registered in: Copenhagen

Established: 26 November 2004

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Board

Driss El Yazami, President

Christine M. Merkel, Vice-President

Eskil Trolle, Treasurer

Hanny Megally

Lynn Welchman

Bahey El Din Hassan

Kamel Jendoubi

Khémaïs Chammari

Project Coordinator

Anne-Sophie Schaeffer

Auditor

Deloitte Statsautoriseret Revisionsaktieselskab

Adopted 30 May 2007



Eskil Trolle, Treasurer

Statement by Management on the annual report

We have today considered and adopted the annual report of the Euro-Mediterranean Foundation of Support to Human Rights Defenders for the financial year 1 January to 31 December 2006.

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

None of the Foundation'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, 30 May 2007

Board



Driss El Yazami
President

Christine M. Merkel
Vice-President



Eskil Trolle
Treasurer



Hanny Megally



Lynn Welchman

Bahey El Din Hassan



Kamel Jendoubi

Khémaïs Chammari



Project Coordinator




Anne-Sophie Schaeffer

Independent auditor's report

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

We have audited the annual report of the Euro-Mediterranean Foundation of Support to Human Rights Defenders for the financial year 1 January to 31 December 2006, 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 Danish Act on Foundations and Associations.

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 Act on Foundations and Associations. 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, but not for the purpose of expressing an opinion on the effectiveness of the entity'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 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.

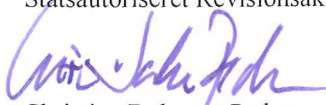
Opinion


In our opinion, the annual report gives a true and fair view of the Company's financial position at 31 December 2006 and of its financial performance and its cash flows for the financial year 1 January to 31 December 2006 in accordance with the Danish Act on Foundations and Associations.

Copenhagen, 30 May 2007

Deloitte

Statsautoriseret Revisionsaktieselskab


Christian Dalmoose 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 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 is established as a legal independent 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 Activity Report", which is published on the website (www.emhrf.org) or can be required at the office in Copenhagen.

The financial development and activities during 2006

The activities of the Foundation increased and proceeded well in 2006. The Foundation effectively implemented its activities in 2006 despite a slower than expected growth rate in its income, mainly due to a decrease in its anticipated expenditures.

The expected development

For the financial year 2007, Management expects activities to level with or exceed 2006. The income statement is expected to show a profit of approx. EUR 0.

The Foundation has signed a contract for the years 2006-2008 with the Danish International Development Agency and with the Ministry of Foreign Affairs of the Netherlands. Furthermore, the Swedish International Development Cooperation Agency awarded a grant to the Foundation for the year 2007. In the future, the Foundation expects to raise funds from other public agencies and private institutions in order to diversify its funding sources.

Accounting policies

Basis of preparation

This annual report 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. The accounting policy is unchanged compared to the previous year.

The annual report is presented in EUR.

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 purpose. 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 Foundation, 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 Foundation, 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 subsidies are received and used for the proper purpose.

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.

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

Liabilities are measured at nominal value.

Income statement for 2006

	<u>Notes</u>	<u>2006 EUR</u>	<u>2005 EUR</u>
Subsidies taken to income	1	365,847	455,824
Total operating income		365,847	455,824
Salaries and wages	2	(64,784)	(33,032)
Activity expenses	3	(97,362)	(37,793)
Administrative expenses	4	(9,762)	(32,178)
Profit before financial items		193,939	352,821
Financial income	5	5,631	3,953
Operating profit		199,570	356,774
Tax		0	0
Profit for the year		199,570	356,774

Proposed distribution of profit

Grant support allocated in prior years	151,936
Attributed to provisions for grant support allocated in 2005	(151,936)
Provisions for grant support allocated in 2006	198,000
Basic capital	592
Distributable capital	978
	<u>199,570</u>

Balance sheet at 31 December 2006

	<u>Notes</u>	<u>2006 EUR</u>	<u>2005 EUR</u>
Cash at bank, basic capital	6	41,321	40,729
Restricted assets		41,321	40,729
Debtors		13,548	1,915
Cash at bank and in hand		572,603	425,736
Available assets		586,151	427,651
Assets		627,472	468,380
Basic capital		41,321	40,729
Distributable capital		2,162	1,185
Equity	10	43,483	41,914
Provisions for grant support allocated	7	295,127	249,063
Provisions		295,127	249,063
Prepaid contribution	8	187,597	68,035
Obligations to grantees		58,694	63,638
Other liabilities	9	42,571	45,730
Current liabilities		288,862	177,403
Total liabilities		288,862	177,403
Equity and liabilities		627,472	468,380

Notes

	<u>2006</u> EUR	<u>2005</u> EUR
1. Subsidies taken to income		
Royal Danish Ministry of Foreign Affairs	152,403	151,007
Ministerie van Buitenlandse Zaken	82,131	55,857
Swedish International Development Cooperation Agency	107,823	248,960
Private funds in Denmark	23,490	0
	<u>365,847</u>	<u>455,824</u>
2. Salaries and wages		
Coordinators	46,321	31,021
Accountant	6,161	0
Supervision services and students	7,663	0
Change in provision for holiday payment	4,149	1,891
Social charges	490	120
	<u>64,784</u>	<u>33,032</u>
3. Activity expenses		
Hotel and Per Diem	10,550	7,227
Air travel	10,270	6,878
Transport airport/hotel	1,161	1,427
Translation and proof reading	21,009	4,276
Rental of interpretation equipment	395	912
Rental of offices and congress rooms	1,427	1,366
Honoraria, speakers, experts	3,403	7,517
Interpreters	6,410	2,867
Seminars and meetings	1,113	357
Consultation of the Council of Representatives	28,991	0
Company insurance	236	0
Web/internet	274	0
Auditor fees	6,000	4,966
- regarding year 2005	3,758	0
Information and publications	2,365	0
	<u>97,362</u>	<u>37,793</u>

Notes

	2006	2005
	EUR	EUR
4. Administrative expenses		
Administration EMHRN	8,296	29,238
Rental of accounting programs	636	1,000
Currency and bank commissions	505	146
Office supplies	325	1,794
	<u>9,762</u>	<u>32,178</u>
5. Financial income		
Interest income banks	5,169	3,637
Currency adjustments	462	316
	<u>5,631</u>	<u>3,953</u>
6. Cash at bank and in hand		
Jyske Bank A/S 7851 1188126	41,321	40,729
	<u>41,321</u>	<u>40,729</u>
Jyske Bank A/S 7851 1188837	142,533	317,702
Jyske Bank A/S 7851 1200707	89,672	108,034
Jyske Bank A/S 7851 1221505	340,212	0
Petty cash	186	0
	<u>572,603</u>	<u>425,736</u>
7. Provisions for grant support allocated		
Provisions 1 January 2006	249,063	0
Transferred from grant support allocated in 2005	(151,936)	0
Provisions for grant support allocated in 2006	198,000	249,063
	<u>295,127</u>	<u>249,063</u>
8. Prepaid contributions		
Royal Danish Ministry of Foreign Affairs	187,597	0
Ministerie van Buitenlandse Zaken	0	68,035
	<u>187,597</u>	<u>68,035</u>

Notes

	2006	2005
	EUR	EUR
9. Other liabilities		
Due income taxed at source, social security contributions, social charge	1,402	2,541
Reserve for holiday payment	6,040	1,891
EMHRN	13,970	26,257
Accountant	6,161	0
Lawyer	7,517	7,517
Auditor	6,000	4,966
Other	1,481	2,558
	42,571	45,730

10. Equity

The movements in equity are specified as follows:

	Basic	Distributable	Total
	capital	capital	EUR
	EUR	EUR	EUR
Equity 1 January 2006	40,729	1,184	41,913
Profit for the period	592	978	1,570
Equity 31 December 2006	41,321	2,162	43,483