

Deloitte
Statsautoriseret Revisionsaktieselskab
CVR no. 24 21 37 14
Weidekampsgade 6
P.O. Box 1600
0900 Copenhagen C
Denmark
Phone +45 36 10 20 30
Fax +45 36 10 20 40
www.deloitte.dk

**Euro-Mediterranean Foundation of Sup-
port to Human Rights Defenders**
**Central Business Registration No:
28 47 85 26**
Annual report 2007

Contents

<u>Page</u>	
1	Foundation details
2	Statement by Management on the annual report
3	Independent auditor's report
4	Management's review
5	Accounting policies
6	Income statement for 2007
7	Balance sheet at 31 December 2007
8	Notes

Foundation details

Foundation

Euro-Mediterranean Foundation of Support to Human Rights Defenders

Vestergade 16, 2.

DK-1456 Copenhagen K

Central Business Registration No: 28 47 85 26

Registered in: Copenhagen

Established: 26 November 2004

Phone: +45 32 64 17 12

Fax: +45 32 64 17 02

Internet: www.emhrtf.org

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

Leila Rhiwi

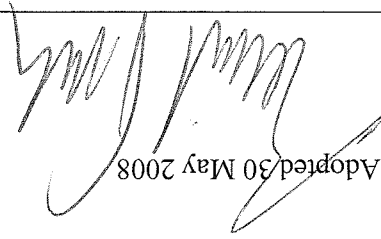
Project Coordinator

Anne-Sophie Schaeffer

Auditor

Deloitte Statsautoriseret Revisionsaktieselskab

Adopted 30 May 2008



Eskil Trolle, Treasurer

Statement by Management on the annual report

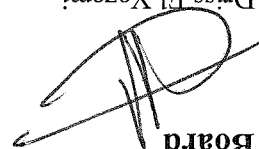
We have today considered and adopted the annual report of the Euro-Mediterranean Foundation of Support to Human Rights Defenders for the financial year 1 January to 31 December 2007.

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 2008

Board



Driss El Yazami

President

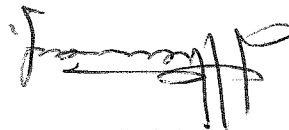


Hanny Megally

Kamel Jendoubi

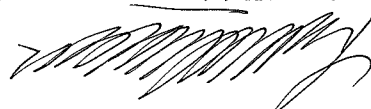


Project Coordinator



Khémais Chammari

Lynn Welchman

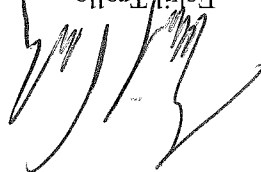


Vice-President

Christine M. Merkel

Eskil Trolle

Treasurer



Bahy El Dim Hassan



Leila Rhiwi

Anne-Sophie Schaeffer

Independent auditor's report

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

nders

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 2007, 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 2007 and of its financial performance and its cash flows for the financial year 1 January to 31 December 2007 in accordance with the Danish Act on Foundations and Associations.

Copenhagen, 30 May 2008

Deloitte

Statsautoriseret Revisionsaktieselskab

Christian Dalmeide Pedersen

State Authorised
Public Accountant

Knud Vestergaard

State Authorised
Public Accountant

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.emhrtf.org) or can be required at the office in Copenhagen.

The financial development and activities during 2007

The activities of the Foundation proceeded well in 2007.

The expected development

For the financial year 2008, Management expects activities to level with or exceed 2007.

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. In addition, the Foundation expects to raise funds from other public agencies (renew its agreement with the Swedish International Development Co-operation Agency (SIDA)) 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 2007

	2007	2006
	EUR	EUR
Subsidies taken to income	511,002	365,847
Total operating income	511,002	365,847
Salaries and wages	(77,127)	(64,784)
Activity expenses	(79,339)	(97,362)
Administrative expenses	(14,746)	(9,762)
Profit before financial items	339,790	193,939
Financial income	4,804	5,631
Operating profit	344,594	199,570
Tax	0	0
Profit for the year	344,594	199,570
Proposed distribution of profit		
Grant support allocated in prior years	122,914	
Attributed to provisions for grant support allocated in 2006	(122,914)	
Provisions for grant support allocated in 2007	340,000	
Distributable capital	4,594	
	344,594	

Notes

Balance sheet at 31 December 2007

	2007	2006
	EUR	EUR
	Notes	
Cash at bank, basic capital	48,441	41,321
- Current account with available assets	(7,120)	0
Restricted assets	41,321	41,321
Debtors	0	13,548
Cash at bank and in hand	844,878	572,603
Current account with restricted assets	7,120	0
Available assets	851,998	586,151
Assets	893,319	627,472
Basic capital	41,321	41,321
Distributable capital	6,756	2,162
Equity	48,077	43,483
Provisions for grant support allocated	512,213	295,127
Provisions	512,213	295,127
Prepaid contribution	248,958	187,597
Obligations to grantees	42,386	58,694
Other liabilities	41,685	42,571
Current liabilities	333,029	288,862
Total liabilities	333,029	288,862
Equity and liabilities	893,319	627,472

Notes

	2007	2006
	EUR	EUR
1. Subsidies taken to income		
Royal Danish Ministry of Foreign Affairs	187,597	152,403
Dutch Ministry of Foreign Affairs	150,000	82,131
Swedish International Development Cooperation Agency	159,982	107,823
Private funds in Denmark	13,423	23,490
2. Salaries and wages		
Coordinators	55,609	46,321
Accountant	4,659	6,161
Organisational services and students	13,970	7,663
Change in provision for holiday payment	2,237	4,149
Social charges	652	490
3. Activity expenses		
Hotel and Per Diem	19,401	10,550
Air travel	13,475	10,270
Transport airport/hotel	2,182	1,161
Translation and proof reading	18,585	21,009
Rental of interpretation equipment	1,475	395
Rental of offices and congress rooms	1,520	1,427
Honoraria, speakers, experts	0	3,403
Interpreters	6,196	6,410
Seminars and meetings	1,396	1,113
Consultation of the Council of Representatives	0	28,991
Company insurance	0	236
Web/internet	0	274
Auditor fees	6,700	6,000
Auditor fees – previous years	7,682	3,758
Lawyer fees	201	0
Information and publications	526	2,365
	79,339	97,362
2. Salaries and wages		
Coordinators	55,609	46,321
Accountant	4,659	6,161
Organisational services and students	13,970	7,663
Change in provision for holiday payment	2,237	4,149
Social charges	652	490
3. Activity expenses		
Hotel and Per Diem	19,401	10,550
Air travel	13,475	10,270
Transport airport/hotel	2,182	1,161
Translation and proof reading	18,585	21,009
Rental of interpretation equipment	1,475	395
Rental of offices and congress rooms	1,520	1,427
Honoraria, speakers, experts	0	3,403
Interpreters	6,196	6,410
Seminars and meetings	1,396	1,113
Consultation of the Council of Representatives	0	28,991
Company insurance	0	236
Web/internet	0	274
Auditor fees	6,700	6,000
Auditor fees – previous years	7,682	3,758
Lawyer fees	201	0
Information and publications	526	2,365
	79,339	97,362
2. Salaries and wages		
Coordinators	55,609	46,321
Accountant	4,659	6,161
Organisational services and students	13,970	7,663
Change in provision for holiday payment	2,237	4,149
Social charges	652	490
3. Activity expenses		
Hotel and Per Diem	19,401	10,550
Air travel	13,475	10,270
Transport airport/hotel	2,182	1,161
Translation and proof reading	18,585	21,009
Rental of interpretation equipment	1,475	395
Rental of offices and congress rooms	1,520	1,427
Honoraria, speakers, experts	0	3,403
Interpreters	6,196	6,410
Seminars and meetings	1,396	1,113
Consultation of the Council of Representatives	0	28,991
Company insurance	0	236
Web/internet	0	274
Auditor fees	6,700	6,000
Auditor fees – previous years	7,682	3,758
Lawyer fees	201	0
Information and publications	526	2,365
	79,339	97,362

Notes

	2007	2006
	EUR	EUR
4. Administrative expenses		
Administration EMHRN	9,734	8,296
Rental of accounting programs	453	636
Currency and bank commissions	790	505
Telephone and Internet	1,745	0
Insurance	299	0
Office supplies	694	325
Others	1,031	0
	14,746	9,762
5. Financial income		
Interest income banks	4,426	5,169
Currency adjustments	378	462
	4,804	5,631
6. Cash at bank and in hand		
Jyske Bank A/S 7851 1188126	48,441	41,321
Jyske Bank A/S 7851 1188837	71,853	142,533
Jyske Bank A/S 7851 1200707	177,445	89,672
Jyske Bank A/S 7851 1221505	593,026	340,212
Petty cash	2,554	186
	844,878	572,603
7. Provisions for grant support allocated		
Provisions 1 January 2007	295,127	249,063
Transferred from grant support allocated in 2006	(122,914)	(151,936)
Provisions for grant support allocated in 2007	340,000	198,000
	512,213	295,127
8. Prepaid contributions		
Royal Danish Ministry of Foreign Affairs	248,958	187,597
Dutch Ministry of Foreign Affairs	0	0
	248,958	187,597

Notes

9. Other liabilities

	2007	2006
	EUR	EUR
Due income taxed at source, social security contributions, social charge	2,626	1,402
Reserve for holiday payment	8,277	6,040
EMHRN	17,784	13,970
Accountant	0	6,161
Lawyer	0	7,517
Auditor	6,700	6,000
Other	6,298	1,481
	<u>41,685</u>	<u>42,571</u>

10. Equity

The movements in equity are specified as follows:

	Basic capital EUR	Distributable capital EUR	Total EUR
Equity 1 January 2007	41,321	2,162	43,483
Profit for the period	0	4,594	4,594
Equity 31 December 2007	<u>41,321</u>	<u>6,756</u>	<u>48,077</u>

