

**Euro-Mediterranean Foundation of
Support to Human Rights Defenders
Central Business Registration No: 28 47 85 26**

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

Annual Report 2016

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Foundation details

Foundation

Euro-Mediterranean Foundation of Support to Human Rights Defenders

Vestergade 16, 2nd floor

DK-1456 Copenhagen K

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 Martha Merkel, Vice-President

Eskil Trolle, Treasurer

Hanny Megally

Lynn Welchman

Bahey Eldin Hassan

Kamel Jendoubi

Khémaïs Chammari

Leila Rhiwi

Bassma Kodmani

Souhayr Belhassen

Marc Schade-Poulsen

Management

Anne-Sophie Schaeffer, Programme Director

Améline Jaskowiak, Administration and Finances Director

Auditor

Deloitte Statsautoriseret Revisionspartnerselskab

Adopted, 21 April 2017



Eskil Trolle, Treasurer

Statement by Board and Management on the annual report

The Board and the Management have today considered and approved the annual report of Euro-Mediterranean Foundation of Support to Human Rights Defenders for the financial year 1 January to 31 December 2016.

The annual report is presented in accordance with the Danish Act on Foundations and Associations.

In our opinion, the financial statements give a true and fair view of the Foundation's financial position at 31 December 2016 and of the results of its operations for the financial year 1 January to 31 December 2016.

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

Paris, 21 April 2017

Board

Driss El Yazami
President

Christine Martha Merkel
Vice-President

Eskil Trolle
Treasurer

Hanny Megally

Lynn Welchman

Bahey El Din Hassan

Kamel Jendoubi

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Marc Schade-Poulsen

Management

Anne-Sophie Schaeffer
Programme Director

Améline Jaskowiak
Administration and Finances Director

Independent auditor's report

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

Opinion

We have audited the financial statements of the Euro-Mediterranean Foundation of Support to Human Rights Defenders for the financial year 01.01.2016 - 31.12.2016, 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 Foundation's financial position at 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016 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 the Foundation 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 Board and Management's responsibilities for the financial statements

The Board and Management is 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 Board and Management determines is 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 Board and Management is responsible for assessing the Foundation'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 Board and Management either intends to liquidate the Foundation 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board and Management.
- Conclude on the appropriateness of the Board and Management'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 Foundation'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 Foundation 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 Board and Management commentary

The Board and management are responsible for the Board and Management commentary.

Our opinion on the financial statements does not cover the Board and Management 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 Board and Management commentary and, in doing so, consider whether the Board and Management commentary is materially consistent

with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

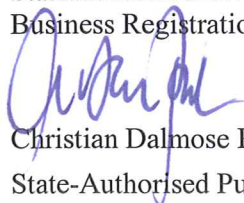
Moreover, it is our responsibility to consider whether the Board and Management commentary provide the information required under generally accepted accounting principles.

Based on the work we have performed, we conclude that the Board and Management 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 in the Board and Management commentary.

Copenhagen, 21-04-2017

Deloitte

Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56



Christian Dalmose Pedersen

State-Authorised Public Accountant

Board and Management commentary

In the Board and 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 organizations 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 obtained at the office in Copenhagen.

The financial development and activities during 2016

The activities of the Foundation proceeded well and stabilized in 2016, compared to 2015. Activities and services in support of human rights defenders accounted for 76 percent of the Foundation's overall budget whereas administrative and staff expenditure was capped at 24 percent. Profit for the year amounts to EUR 6.

The expected development

For the financial year 2017, the Board and Management expects activities to increase as per decision taken at the Board meeting in December 2016. The income statement is expected to show a profit of approx. EUR 0.

The Foundation has signed new contracts for its core operations with the Swedish International Development Cooperation Agency, the Danish Ministry of Foreign Affairs and for project support from the UN Interregional Crime and Justice Research Institute (UNICRI) for the year 2016. It also still benefits from core support from the Sigrid Rausing Trust, the EU HRDs Mechanism and from project support from the European Instrument for Democracy and Human Rights, the National Endowment for Democracy and the Rockefeller Brothers Fund.

Accounting policies

Basis of preparation

This annual report has been prepared in accordance with the 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 and done in accordance with an updated financial manual that was approved by the Treasurer on April 3, 2016.

The annual report is presented in EUR. The Foundation has used the following rates when converting Swedish kroner (SEK) and Danish kroner (DKK) into euros (EUR):

Rate used DKK - EUR = 7.45

Rate used SEK - EUR = 9.41

Recognition and measurement

Assets are recognized in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Foundation and the value of the asset can be measured reliably.

Liabilities are recognized in the balance sheet when the Foundation has a legal or constructive obligation as a result of a prior event and it is probable that future economic benefits will flow out of the Foundation and the value of the liability can be measured reliably.

Income is recognized in the income statement when earned, whereas costs are recognized by the amounts attributable to this financial year.

Income statement

Operating income

Income is recognized as subsidies are received and used for the proper purpose. Subsidies are recognized when costs are recognized.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc. for the Foundation's employees.

Accounting policies

Activities in Support of HRDs

Expenditure of Activities in Support of HRDs comprises grants to emergency support and strategic support to human right defenders and organizations, including related costs. Costs are recognized when the grant is approved by the Board of the Foundation either through electronic consultations or during Board's meetings.

Other expenses related to the activities

Other expenses related to the activities include expenses for membership fees, translations, etc.

Administration expenses

Administration expenses include expenses relating to the Foundation's ordinary activities, including expenses for premises, stationary and office supplies, IT support, audit fees, etc.

Financial income

Financial income comprises interest income and net capital gains on foreign currency transactions.

Financial expenses

Financial expenses comprise interest expenses and net capital losses on foreign currency transactions.

Income tax

Tax for the year, consisting of current tax for the year, is recognized in the income statement by the portion attributable to the taxable profit for the year.

Balance sheet

Debtors

Receivables are measured at amortized cost, usually equaling nominal value less write-downs for bad and doubtful debts.

Cash

Cash comprises bank deposits and cash in hand.

Provisions

Provisions comprise reserves for future payments of grants.

Obligations to grantees

Obligations to grantees do not comprise settlement amounts at the balance sheet date regarding grants not yet paid but approved by the Board.

Other liabilities

Other financial liabilities are measured at amortized cost which usually corresponds to nominal value.

Income statement for 2016

	Notes	2016 EUR	2015 EUR
Subsidies taken to income	1	2,171,792	1,994,335
Support granted from provisions	7	5,000	26,789
Contribution, other		200	0
Total operating income		2,176,992	2,021,124
Salaries			
Programme Director		80,398	65,471
Maternity replacement – Programme Director		0	20,595
Regional Consultant Maghreb		25,766	25,303
Regional Coordinator Mashreq (Egypt)		35,833	0
Regional Coordinator Maghreb		21,806	25,604
Regional Coordinator Mashreq (Syria)		61,831	53,823
Administration and Finances Director		73,109	71,540
Administration and Finances Officer		46,104	43,265
Regional Assistant Mashreq		0	53,984
Regional Assistant Maghreb		11,509	5,090
Interns and students		14,044	8,412
In-house accountant / External consultant		6,506	19,913
Social charges		3,263	3,015
Total salaries		380,169	396,015
Activities in Support of Human Rights Defenders (HRDs)			
Emergency support to HRDs		285,086	227,301
Strategic support to HRDs		1,264,986	1,144,197
Financial costs related to grant giving		9,274	12,434
Follow-up on support to HRDs		14,558	18,817
Board meetings		37,317	37,701
Meeting with partners (incl. fundraising)		12,733	16,367
Consultation of the Council of Representatives		0	26,727
Total activities in support of HRDs		1,623,951	1,483,544

Income statement for 2016

	Notes	2016 EUR	2015 EUR
Other Expenses/Services related to the activities			
Membership fees to Foundation's networks		5,366	2,603
Temporary consultations/Researchers contributions		656	0
Translations		32,881	20,474
Information, publication		761	1,548
Total other expenses/services		39,663	24,625
Administration			
Audit		11,883	8,386
Maintenance of a secure forum and website		5,034	8,555
IT support		8,488	8,057
Rent		36,568	35,824
Office expenses and stationary		29,879	25,910
Bank fees related to administration and salaries		5,605	5,190
Navision 2013 – financial software		0	1,077
Others		35,307	20,153
Total administration		132,763	113,152
Profit before financial items		446	3,788
Financial income	2	0	0
Financial expenses	3	440	3,788
Operating profit		6	0
Tax		0	0
Profit for the year		6	0
Proposed distribution of profit			
Distributable capital		6	0
		6	0

Balance sheet at 31 December 2016

	<u>Notes</u>	<u>2016 EUR</u>	<u>2015 EUR</u>
Cash at bank, basic capital	4	41,313	41,321
Restricted assets		41,313	41,321
Debtors	5	333,264	294,098
Cash at bank and in hand	4	1,110,386	480,951
Available assets		1,443,650	775,049
Assets		1,484,964	816,370

Balance sheet at 31 December 2016

	<u>Notes</u>	<u>2016 EUR</u>	<u>2015 EUR</u>
Basic capital	6	41,313	41,321
Distributable capital	6	14,140	14,126
Equity		55,453	55,447
Provisions for grant support allocated	7	15,000	20,000
Provisions		15,000	20,000
Obligations to grantees		837,461	613,487
Other liabilities	8	577,049	127,436
Current liabilities		1,414,510	740,923
Total liabilities		1,414,510	740,923
Equity and liabilities		1,484,964	816,370

Notes

	2016 EUR	2015 EUR
1. Subsidies taken to income		
Swedish International Development Cooperation Agency	803,455	325,989
Royal Danish Ministry of Foreign Affairs	205,817	268,457
Norwegian Ministry of Foreign Affairs	173,563	177,260
Sigrid Rausing Trust	45,440	203,580
European Commission (EIDHR), Egypt	277,670	272,942
European Commission (NEAR), Syria	303,263	130,888
European Commission (Ad-hoc grants)	0	4,472
European Commission (Libya)	138,521	0
EU HRDs Mechanism	154,396	58,535
Open Society Foundations (Tunisia)	0	173,457
Open Society Foundations (Syria)	0	376,213
Urgent Action Fund for Women HRDs	0	2,542
Rockefeller Brothers Fund	19,713	0
National Endowment for Democracy	30,646	0
Network for Social Change	13,718	0
Charities Aid Foundation	5,591	0
	2,171,792	1,994,335
	2016 EUR	2015 EUR
2. Financial income		
Currency adjustments	0	0
Total financial income	0	0
3. Financial expenses		
Interest expenses, banks	222	42
Currency adjustments	218	3,746
Total financial expenses	440	3,788

Notes

	2016 EUR	2015 EUR	
4. Cash at bank and in hand			
Jyske Bank A/S 8751 118812-6 (DKK)	41,313	41,321	
	41,313	41,321	
Jyske Bank A/S 8751 118883-7 (DKK)	44,659	187,923	
Jyske Bank A/S 8751 120070-7	5,779	262,922	
Jyske Bank A/S 8751 102123-8	258,136	402	
Jyske Bank A/S 8751 103416-5	584	621	
Jyske Bank A/S 8751 105732-3	611,995	22	
Jyske Bank A/S 8751 110139-4	178,193	6,187	
Jyske Bank A/S 8751 122150-5 (DKK)	41	735	
Jyske Bank A/S 5078 116990-4 (DKK)	1,651	970	
Paris Bank EUR 41020034974	4,351	16,030	
Petty cash	4,996	5,139	
	1,110,386	480,951	
	2016 EUR	2015 EUR	
5. Debtors			
European Commission (Egypt)	108,352	88,665	
European Commission (Syria)	181,594	130,888	
European Commission (Libya)	802	0	
European Commission (Consortium)	26,283	58,535	
York University	0	14,918	
National Endowment for Democracy	3,948	0	
Year-end debtors	12,285	1,092	
	333,264	294,098	
6. Equity			
The movements in equity are specified as follows:	Basic capital EUR	Distributable capital EUR	Total capital EUR
Equity at 1 January 2016	41,321	14,126	55,447
Profit for the year	-8	14	6
Equity at 31 December 2016	41,313	14,140	55,453

Notes

	2016 EUR	2015 EUR
7. Provisions for grant support allocated		
Provisions at 1 January 2016	20,000	46,789
Support granted in 2016	-5,000	-26,789
	15,000	20,000
8. Other liabilities		
Swedish International Development Cooperation Agency 2014-2016	0	32,612
Swedish International Development Cooperation Agency 2017-2019	306,327	0
European Commission (Ad hoc Grants)	0	8,528
Sigrid Rausing Trust	147,760	0
Rockefeller Brothers Funds	16,483	0
Due income tax and social charges	6,733	12,776
Reserve holiday payment	49,615	29,647
EuroMed Rights	11,392	20,718
Audit	9,800	9,700
Others	28,939	13,455
	577,049	127,436
Swedish International Development Cooperation Agency	SEK	EUR
Balance at 1 January 2016	306,783	32,612
Received from SIDA 9 April 2016	7,253,632	770,843
Spent in 2016	-7,560,415	-803,455
Balance at 31 December 2016	0	0