

STICHTING GREENPEACE COUNCIL

AND RELATED ENTITIES

ANNUAL REPORT

2017

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Report of the Management Board 2017

The Strategy and Management Team (SMT) of Stichting Greenpeace Council (SGC) forms the Management Board and hereby presents its management report for the year ended 31 December 2017.

General Information

Greenpeace is a global campaigning network of independent organisations whose mission is to change attitudes and behaviour, to protect and conserve the environment and to promote peace. Greenpeace comprises 26 independent national/regional organisations (NROs) in over 55 countries across Europe, the Americas, Africa, Asia and the Pacific, as well as a coordinating and enabling body, Greenpeace International. Greenpeace is a global network that is independent from political and corporate interests. All campaigns use non-violent, creative confrontation to expose global environmental problems, and to promote the solutions which are essential to a green and peaceful future. Greenpeace's goal is to ensure the ability of the Earth to nurture life in all its diversity.

Stichting Greenpeace Council (SGC), a foundation ("*Stichting*") registered and based in the Netherlands, also works under the name of Greenpeace International. For the purpose of this report, 'Greenpeace International' ('GPI') is used to indicate Stichting Greenpeace Council together with the related entities.

GPI is based in Amsterdam, and we manage staff located in other NROs. In addition we operate three ships. Our main objective is to enable the Greenpeace Network to mount successful campaigns in furtherance of Greenpeace objectives. GPI is the co-ordinating body for the global Greenpeace network and supports the network through grants, technical support, developing standards and policies and provide marine support to campaigns on the high seas.

In this report, 'we', 'our' and 'us' may refer to Greenpeace International or to the global Greenpeace network, or to Greenpeace International and a number of specific NROs, with or without staff and/or supporters - in accordance with relevant context.

Governance

GPI is governed by a Supervisory Board, elected by Trustees, with each NRO appointing one Trustee. The report of the Supervisory Board can be found on page 13. GPI is managed by two International Executive Directors (IED) and a Strategy and Management Team (SMT) consisting of key department directors, together they form the Management Board. The International Executive Directors and the International Finance Director are registered at the Chamber of Commerce (Kamer van Koophandel / KvK)

This management report refers to Stichting Greenpeace Council and its related entities only (for the purpose of this report together referred to as: GPI). It does not include the independent Greenpeace NROs. A report on the achievements and performance of the Greenpeace network, the Global Annual Report, is published separately.

Internal organisation and staffing level

GPI monitors the organisational development of 26 independent Greenpeace NROs, manages our three ships, enables global campaigns, and monitors compliance with core policies. The NROs are independent organisations, based across the globe, which share common values and mission, and which campaign by themselves or in clusters to expose and campaign to resolve global environmental problems.

GPI has the following departments: (1) International Programmes which has six teams that provide thematic support to NROs on campaign issues and a scanning function that looks at scientific, political and business developments; (2) Global Engagement that provides support to NROs on supporter

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engagement, fundraising and media relations and runs the three global media hubs; (3) Operations that runs the three ships, supports the NROs in non-violent direct action; (4) Information Technology that runs IT systems for GPI and NROs; (5) People and Culture which manages GPI staff relations, supports NROs in improving staff relations and provides a learning and developing function for all staff in the Greenpeace staff network; (6) International Finance which ensure the sound financial management of GPI, supports NROs in improving financial management, provides common financial systems and standards and manages funding flows to and from NROs; (6) International Development which supports the development of the NROs in the global Greenpeace NRO network; and (7) The International Executive Directors' Office which supports the smooth-running and governance of GPI, moreover the legal unit reports to the International Executive Directors and provides legal support to GPI and helps build the NRO legal support network.

In 2017 GPI continued the implementation of major changes in distributing the management and control of campaign projects to Greenpeace NROs across the globe. This shift of resources and power is intended to make the Greenpeace network more responsive to environmental challenges and help to build joint campaign projects in defence of the planet across countries, continents and oceans. In addition 2017 saw the start of a ten year plan where all Greenpeace organisations in the global network agreed to focus campaigns within a framework of preserving environmental boundaries, tackling the abuse of government and corporate power which leads to environmental destruction and using opportunities for mindset shifts to mobilise people for campaigns in protection of the planet.

GPI employed a FTE average of 610 employees in 2017 (2016: 343). The FTE average over 2016 has been adjusted in order to make it comparable to the current year's presentation, including the marine crew members and using average FTE instead of year end FTE. Looking at Staff employed directly by GPI, staff employed in the subsidiary Direct Dialogues Initiatives India, and staff employed through Memoranda of Understanding with NROs and Marine staff gives this analysis:

Average (FYE ¹)	2017	2016
GPI Amsterdam	139	141
Direct Dialogues Initiatives India	236	0
NRO - based on MOUs	135	117
Marine	100	86
Total	610	343

GPI operates a defined contribution pension scheme for Amsterdam and Marine staff, whereby we supplement employee pension contributions to their chosen pension scheme. This means that we have no other obligations in respect of pension provisions. NRO-based staff have pension arrangements agreed with their NRO.

Significant Risks and Uncertainties

The following significant risks and uncertainties are recognized and divided into the following categories:

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Strategic and Operational Risks

a. Strategic Risks

i. Closing Civic Space

Greenpeace USA and Stichting Greenpeace Council are currently defending two lawsuits in the United States which are designed to intimidate Greenpeace and the wider environmental movement and to prevent us from exposing the abuses of corporate power that lead to environmental degradation and massive biodiversity loss. These SLAPP suits (Strategic Lawsuits Against Public Participation) are designed to tie up resources fighting legal battles that have little hope of success. This risk is mitigated through having excellent legal support and bringing the full weight of people power, through supporters and allies, to toxify the use of SLAPPs and shed light on the true issues at hand. At GPI we are reassessing our legal capacity and are enabling NROs to build their own in-house legal capacity.

The increasing abuse of anti-terrorism and money laundering legislation means that receiving and sending resources in many countries is becoming more difficult. GPI is tackling this by improving internal operations, holding reserves for this purpose and keeping a close eye on legislative developments.

ii. Increased Use of Money for Political Influence

The ability of rich corporations to buy political power has also been a problem for people-powered movements like Greenpeace. As Greenpeace globally seeks to address the abuses of corporate and governmental power that leads to environmental degradation and massive biodiversity loss, Governments whom we are challenging are increasingly being captured by corporates who do not want legislation and scrutiny to interfere with their activities. Greenpeace globally addresses this risk by preserving our collective independence through not raising funds from corporates or governments and by calling on those in positions of power to act in the interests of people, not corporations.

iii. Trust Issues in Not for Profits

The era of fake news and twitter farms has led to growing public confusion in the role of all not for profits.

Sexual abuse scandals are affecting some of the most trusted names in this sector. At GPI, we are very vigilant on all forms of harassment and have instituted clear procedures to ensure that any claims of sexual or other harassment are dealt with quickly and effectively. At GPI we have taken significant steps in recent years to enhance the safety of our shared working environment. However, we are a work in progress, with much still to do. These steps include the installation of an Integrity System, including the appointment of a Diversity and Inclusion policy, along with appointing a designated Integrity Officer, and an independent Harassment and Complaints Committee to investigate all claims of harassment, sexual or otherwise. In addition we have a Whistleblower policy with a designated Supervisory Board member appointed as the contact point.

iv. A New Cold War Mentality

Recent global tensions point to a rise in cold war mentalities. These impact greatly on the ability of vulnerable people to have a green and peaceful future. War and forced migration have a devastating impact on people and their ability to thrive without long-term environmental destruction. Whilst as GPI our power to change this is small, we work through the Greenpeace

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NRO network and broad social movements for the environment and for peace to make sure the voices of the marginalised are heard. In 2016 Greenpeace globally adopted a ten-year framework to ensure that campaigns foster these social movements, build on their energy and power and address the root causes.

b. Operational Risks

i. Non-Violent Direct Action

Non-Violent Direct Action (NVDA) has been a hallmark of Greenpeace's activities since it was founded in the 1970s. The practice of NVDA is guided by coherent and well-developed principles and protocols reflecting core values, including a strong commitment to safety and non-violence. We believe NVDA can in many cases be justified under international law as a legitimate exercise of the rights to freedom of expression and to peaceful assembly, although there is frequently a risk of litigation, which we believe is often worth taking. We have and continue to undertake a range of efforts to align procedures across GPI and NROs to ensure NVDA, investigations and communications comply with Greenpeace core values.

ii. Staff-Related Risks

As mentioned in (a.iii) GPI is not immune from risks relating to staff conduct. We manage this risk through constant updating of HR policies, our integrity system and we introduced a code of conduct for all staff in 2018.

iii. Funding from Greenpeace National & Regional Organisations

GPI receives more than 95% of its funding from contributions made by Greenpeace NROs. Each NRO makes a contribution based on an agreed model. This provides GPI with a secure and predictable funding stream in order to fulfil its role to act as a conduit for redistributing Greenpeace resources to NROs according to agreed global Greenpeace priorities; as well as coordinating the process of establishing the long-term organisational development plans for all NROs.

The main complication related to this income is that many countries have specific tax and legal regulations that tie what tax exempt contributions can be spent on. To manage risk and release funds GPI produces funding agreements that show how tied funds are matched to our expenditure. This mitigates the risk that NROs cannot pay their contribution when and as intended.

The contribution model mitigates much of these risks as GPI's income is based on known and agreed prior year income across NROs, so this provides us with reasonable certainty of amounts due, albeit with foreign exchange risk described in (b.v) below. GPI's financial plans and budgets are based on a cash model which takes into account the likelihood of receiving funds within the appropriate year. We are also working to mitigate risks by establishing methods for releasing funding flows in new territories.

iv. Tax Risks

Considering that GPI is not subject to Dutch Corporation Tax, the organisation has not provided for tax on surpluses that arose in previous years. GPI's main tax risk concerns Value Added Tax (VAT). The tax authorities consider that although the organisation is a VAT taxable entity, its activities are generally not relevant for VAT purposes. In 2018 GPI undertook a VAT review in conjunction with our external tax advisors. During this review our VAT position was re-confirmed with the Dutch Tax Authorities.

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v. Foreign Exchange (FX)

As the inflow and outflow of resources embodying economic benefits are dominated in different currencies GPI has to manage foreign exchange risks. The FX-impact in the GPI annual statements for 2017 was almost EUR 1.5M. To mitigate the risk a designated reserve in equity is created. This reserve is based on the potential risk for the operations in the following budget year. We obtain advice from external treasury advisors who maintain a model that assesses the FX risks we face and provides us solutions should the risk increase beyond our designated reserve level.

vi. Financial Reporting Risks

The financial statements are based on GPI's underlying records, which have been subject to audit. Whilst most transactions are definitive, we need to use estimates for certain items. In particular we enter into cost-sharing agreements for legal costs with some NROs, the estimates here are based on the likely final cost of legal representation and any subsequent penalties. This can only be an estimation and, like other risks, we mitigate these by maintaining reserves.

Financial Information

Greenpeace International has a specific role in the global Greenpeace network. The network structure makes GPI's performance indicators harder to interpret. GPI's role as a coordinating and enabling organisation for the global network of independent Greenpeace organisations means that any comparisons between support costs and direct costs are not meaningful: the coordinating and enabling costs provide support to the Global Programme, not just GPI's own programme.

Total turnover for 2017 is EUR 82,560k, an increase of EUR 3,153K since 2016 (EUR 79,407K). The increase is due to exchange rate movements and improved underlying performance in NRO contributions. The turnover for 2017 consists of EUR 81,528K (2016 77,469K) of contributions from Greenpeace NROs, EUR 1,302K (2016 1,939K) of donations from individuals, foundations and other income.

Solvency

The financial position of GPI remains strong with an equity of EUR 36,958K (2016 EUR 36,915K). The solvency of GPI is shown in the table below:

	<u>2017</u>		<u>2016</u>	
Fund balance	36.958	63,8%	36.915	61,3%
Total balance	57.905		60.242	

The net working capital (current assets minus current liabilities) remains strong at EUR 10,859K (2016: EUR 10,380K).

The net result for 2017 is a surplus of EUR 43K (2016: EUR 1,690K deficit), an increase of EUR 1,733K. The increase of the net result 2017 compared to the result in 2016 can be analysed as follows:

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Income:		
- Increase in contribution		3.789
- Decrease in other income (major donors)		<u>(637)</u>
Total increase in income (2,6%)		3.152
Expenditure		
Increase in operational expenditure		
- Increase in campaign expenditure	1.234	
- Increase in campaign support expenditure	1.334	
- Increase in global engagement & fundraising	<u>2.148</u>	
	4.716	
Decrease in operational expenditure		
- Decrease in support to Greenpeace Organisations	1.558	
- Decrease in organisational support costs	<u>1.512</u>	
	3.070	
Increase in Operational Result		1.506
Change in Share of Result in Participating interests and Financial Result		<u>227</u>
Increase of the net result in 2017		1.733

Grants and other support to National and Regional Organisations of EUR 33,184K (2016 EUR 34,724K) fell mainly due to the strengthening of the Euro.

Foreign Exchange

(all amounts are EUR 000s)

	2017	2016
Income		
- Unrealised	300	-
- Realised	<u>2</u>	<u>-</u>
	302	-
Expenses		
- Unrealised	1.319	1.157
- Realised	<u>574</u>	<u>855</u>
	1.893	2.012
Total	<u>(1.591)</u>	<u>(2.012)</u>

In 2017 a foreign exchange result of EUR 1,591K loss is part of the financial result (2016: 2,012K loss). This loss is 75% due to the revaluation of balances (debtors, creditors and bank balances) and 25% caused by the cost of buying and selling foreign currency. In both 2017 and 2016 no foreign exchange hedging contracts were in place.

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Liquidity and Cash Flow

GPI's cash position has increased by EUR 1,342K from EUR 12,210K (2016) to EUR 13,552K, resulting in a liquidity ratio (current ratio) of 290% (2016 296%). Income for the year ahead is reasonably certain, with the main risks being our ability to receive timely funds from NROs in line with their regulatory requirements and exchange rate fluctuations. In combination with control on the expenditure these are the key focus of financial management and cash flow is monitored regularly.

	<u>2017</u>	<u>2016</u>	<u>Movement</u>
Current assets:			
- Bank and cash in hand	13.552	12.210	1.342
- Other current assets	3.035	3.471	(436)
	<u>16.586</u>	<u>15.681</u>	<u>905</u>
Current liabilities	<u>5.727</u>	<u>5.301</u>	<u>426</u>
Net working capital	<u>10.859</u>	<u>10.380</u>	<u>479</u>
Liquidity Ratio			
Current Assets / Current Liabilities	290%	296%	-6%

Note *: the position 'Due from' and 'Due to' Greenpeace Organisations is not included.

Net position with Greenpeace organisations

Due from	9.731	14.808	(5.077)
Due to	<u>6.088</u>	<u>5.933</u>	<u>155</u>
	<u><u>3.643</u></u>	<u><u>8.875</u></u>	<u><u>(5.232)</u></u>

The total increase of the Net working capital during 2017 (479K) is mainly caused by the increase in the amount available in Bank and cash in hand. This increase in the bank position can be partly explained by the decrease in the 'net position with Greenpeace organisations' (as shown in the table above: 5,232K), offset by increases in net fixed assets following the completion of the refurbishment of the MV Arctic Sunrise (EUR 1,889K). The decrease of the net position with Greenpeace organisations is caused by improvements in tackling specific country regulations and legislation to transfer the contribution to GPI earlier, this has decreased the amount owed, but increased the cash figure. GPI monitors its cash position by using successive quarterly cash flow forecasts. The management ensures that the cash position is sufficient to meet the organisation's financial obligations towards creditors and Greenpeace organisations.

GPI shall ensure that sufficient balances are available to cover the expected operational costs, including meeting financial obligations. The potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters are not taken into account.

There are no credit lines available with financial institutions.

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Budget ceiling

The Trustees approve the annual budget ceiling for the cash movement / expenditure in the year. For 2017 the budget ceiling and the actuals are shown in the following table:

(All amounts are in EUR 000s)

	<u>Budget</u>	<u>Actuals</u>
Total expenditure	83.905	80.792
Other cash outflows		
- Repayment AS loan	1.395	1.326
- Capital expenditure	4.800	4.822
- less depreciation	(2.625)	(2.990)
- EU Unit Contributions	2.900	1.915
- FIF Loans	2.000	517
	<u>8.470</u>	<u>5.590</u>
Expenditure Ceiling	<u>92.375</u>	<u>86.383</u>

The difference between the budget and the actuals is mainly due to the decrease in support to Greenpeace organisations, due to the strengthening of the EURO, less Organisational Support Costs, Fundraising Investment Fund loans being allocated and fewer EU contributions passing through GPI.

Environmental and personnel-related information

Greenpeace is a network of independent campaigning organisations, which uses non-violent, creative confrontation to expose global environmental problems, and to promote the solutions which are essential to a green and peaceful future. GPI is acutely aware of the environmental impact of its own activities and the need to balance campaigning and the tools we use with also demonstrating that we are working to reduce our own impact. We have an Environmental Manager who monitors and helps reduce GPI's environmental impact and who supports NROs in doing so as well.

Information Regarding Financial Instruments

GPI's main financial management risk relates to foreign exchange fluctuations. The contributions GPI receives from NROs and the grants given by GPI for the development of NROs are denominated in the local currency of the NROs. The aim of foreign exchange risk management is to ensure that we have sufficient resources to meet our obligations. This means analysing expected inflows and outflows in foreign currencies and deciding if financial instruments can help mitigate our risk. Due to the uncertainty of the timing and direction of these flows, and to the lack of liquidity in some of the markets we are exposed to, we have not used foreign exchange contracts to hedge currency risks.

On a quarterly basis the foreign exchange risk is calculated on a 12 month rolling forecast. The outcome of the calculation shows the possible foreign exchange impact for GPI to achieve the targets in the yearly budget. With a confidence of 97.5% on the volatility of the used foreign currencies the possible known impact for 2017 is EUR 2,425K. This amount is a restricted reserve in the fund balance. The timings and amounts of FX transactions are to a large extent uncertain and our biggest risks lie in volatile currencies, this means that the use of financial instruments, such as hedging, are rarely beneficial.

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Research and Development Activities

GPI has a Science Unit whose role is to underwrite and strengthen the evidence base of campaigns. It does this by the provision and oversight of good scientific practice, research, effective communication of complex scientific and technical trends and issues, quality control, acting as a radar for future issues / risks, and engaging in debate about the relationship between science and society.

GPI has an investigations function whose role includes building capacity for new ways of working among those involved in corporate / policy research and actions.

Neither are directly similar to a traditional R&D function in a commercial organisation. As an enabling and coordinating organisation in a campaigning network, GPI's activities in support of development (e.g. fundraising, mobilisation) are undertaken by the Global Engagement Department which supports NROs in how to best engage, recruit and develop supporters for Greenpeace campaigns as carried out by the NROs.

Information regarding social aspects of operating the business

GPI campaigns to expose global environmental problems and so believes that its activities are directly linked to Corporate Social Responsibility. GPI has a strong focus on accountability and transparency in our activities and is a signatory to the INGO Accountability Charter.

GPI is the co-ordinating organisation for the Greenpeace network, a worldwide environmental network that mobilises people power to campaign for a greener and more peaceful future. Together, around the globe, Greenpeace works to find innovative ways for people to challenge the abuses of corporate and government power that lead to environmental destruction and greater insecurity.

As most of GPI activities involve the operation of ships, deployment of staff and providing grants to Greenpeace NROs for campaigns, we do not have a global supply chain and stakeholders therein. Our ships use a combination of sail power and ultra-low sulphur diesel.

Our vision

In 2016 Greenpeace globally agreed a ten-year Framework that ensures that all parts of the organisation are best positioned to meet renewed environmental goals. With a renewal of focus of campaigning to preserve environmental boundaries and prevent irreversible environmental destruction, such as keeping global temperature rise to within 1.5 degrees, all Greenpeace campaigns must address the abuse of corporate and governmental power that are the root cause of these challenges and use opportunities to use people power, as a hero amongst heroes, to win those campaigns.

Legal and organisational structure

Stichting Greenpeace Council is a foundation type legal entity under Dutch law (in Dutch: a stichting) registered with the chamber of commerce (Kamer van Koophandel or KvK) in Amsterdam under number 41200415. For the purpose of this report, Stichting Greenpeace Council together with related entities (other Dutch foundations, a commercial arm and a fundraising entity in India) are described as Greenpeace International. The following is the consolidated financial statements of Stichting Greenpeace Council and related entities - therefore not including the independent National and Regional Greenpeace organisations and the entities they consist of worldwide.

Other Information

GPI has an Internal Audit function which monitors GPI compliance and - upon NRO request - also audits NRO compliance. In accordance with article 397 of Book 2 Civil Code the Management Board of GPI has a balanced male / female ratio (43%/57%) as does the Supervisory Board (43%/57%): meeting the

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requirement that at least 30% of the members of the Management Board and the Supervisory Boards are male or female.

Information Supply and Computerisation

Greenpeace as a global network is funded by hundreds of thousands of supporters who contribute to their independent local NRO. These NROs in turn fund GPI through an agreed contribution model. GPI has a small number of individual donors. At GPI, we have implemented appropriate technical and organisational measures to secure personal data against loss or against any form of unlawful processing. Our donation pages are secured using Secure Sockets Layer (SSL), a security protocol that provides communications privacy over the Internet in a way that is designed to prevent eavesdropping, tampering, or message forgery. Only employees who need to access information about supporters and website visitors to perform their work are granted access to this personal identifiable information.

Marketing

GPI does not undertake direct marketing activities, other than the online sale of photographic images through Greenpeace Licensing BV.

Internal Controls

GPI maintains strict internal controls through policies covering the authorisation of banking transactions, control over supplier payment details and ensuring the completeness and accuracy of payroll information. In addition we have fraud prevention and whistleblowing policies.

Financial and non-financial performance indicators

GPI's mission is to enable NROs to raise funds and campaign successfully. Unlike other NGOs, GPI does not normally seek to raise money from supporters. This means that fundraising and engagement costs are not incurred in order to raise funds directly for GPI. Likewise campaign costs include: the cost of grants that encourage NROs to run integrated campaigns on globally relevant issues; the cost of campaign coordination teams, including subject experts and research teams; the costs of running three ships which assist NROs in marine and polar campaigns; the costs of experts to support NRO research and investigations; and, the costs of grants to provide resources to establish NROs in key environmental battlegrounds. This approach means that typical NGO reporting ratios have little meaning.

Information concerning application of code of conduct.

GPI is a signatory to, and a founding member of, the International NGO Accountability Charter.

We have an Integrity Officer and an Integrity policy and process. This supports the work of an independent Harassment and Complaints Committee to deal with allegations concerning breaches of integrity and all forms of harassment. In addition we have a whistleblower policy with a supervisory board member designated as a confidential listener.

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Outlook

As mentioned under Significant Risks and Responsibilities, GPI is financed primarily by contributions from the independent Greenpeace NROs, along with a smaller amount from other sources such as trusts and foundations. The contribution levels are calculated according to a model which is due for review in 2019. All NROs pay contributions in their own currency based on their net fundraising income from two years previously. This method provides GPI with a large degree of certainty over income, however the risk from exchange fluctuations rests with GPI. GPI supports investment in NRO long term fundraising by providing NROs with fundraising systems, advice, technical support and fundraising investment loans. By supporting NROs GPI also ensures, through the contribution model, the long-term revenues and returns need to secure the future of GPI. The future financing of GPI is managed through annual updates to a three-year global resource plan, based on expected NRO contributions for the following three years. The annual budgets derive budget ceilings from the global resource plan. Progress against the annual budgets is monitored quarterly.

GPI invests in the future of Greenpeace staff through a learning and development programme, including a Future Leaders Programme, and through regular objective setting and performance review processes. These are designed to ensure that staff have clear objectives and have training opportunities to ensure their future development.

Research and development activities happen across GPI. Specialist campaign teams, along with our scientific, political and business specialists provide us with the necessary insights into environmental developments and challenges. Our Global Engagement Department develops ways to improve the supporter journey within NROs both through innovation and through sharing best practice. This helps to ensure that our supporters remain fully connected with their own NRO.

Report of the Management Board 2017

Report of the Supervisory Board

The Board of the Stichting Greenpeace Council is responsible for oversight of the operations and activities of GPI including the appointment and oversight of the International Executive Directors. The Board's mandate and tasks are laid down in statutes and rules of procedure. Members of the Board are recruited on the basis of agreed profiles by the Board Search Committee of the Council of Stichting Greenpeace Council. The Council is comprised of representatives (Trustees) from each of the Boards of Greenpeace National and Regional Organisations (NROs). The Council elects GPI Board members, who in turn elect a Chair.

Composition and functioning of the Board

The Board had seven members in 2017 and was chaired by Ayesha Imam, with Ed Harrington as the Board Treasurer. The other members were Anabella Rosemberg (stepped down in April 2018), Athena Ronquillo-Ballesteros, Michael Hammer, Ravi Rajan and Thuli Makama. In addition to oversight, the Board makes the final decisions on wide ranging strategic and campaign issues for Greenpeace International, based principally on recommendations from the International Executive Directors. In 2017 Greenpeace International began working to implement The Framework, a ten year strategy to ensure that Greenpeace campaigns are most relevant to achieving a greener and more peaceful future. As part of its supervising role, the Board approved the 2016 Annual Report and Financial Statements, the 2018 Budget and Expenditure ceiling, and the Global Resource Plan for 2018 – 20 (GRP20). The Annual Report on Internal Audits were also discussed with the Board.

The Board is informed by the International Executive Directors, other SMT members and the Works Council. The Board is supported by the Board Audit Committee (BAC), consisting of three members of the Board and two representatives from NRO boards, which: prepares advice for the Board on the annual accounts, the budget, and the financial reports. The BAC also monitors and reports to the Board the follow-up of issues raised in internal and external audits and recommendations in the External Auditor's Management Letter.

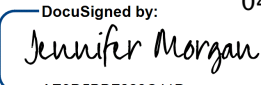
In 2017 the Board met three times physically, and five times via video-conference. Members of the Board of Supervisors receive compensation for time spent on Board meetings. The costs of travel, accommodation, and telephone calls are reimbursed. A total of €101k was paid out in compensation and reimbursements in 2017.


Closing remarks The Board would like to express its sincere gratitude to all staff of Greenpeace International, who perform their vital duties often in difficult circumstances. The Supervisory Board have confidence that Greenpeace International will continue to play an important part in the fight for greener and more peaceful future.

STICHTING GREENPEACE COUNCIL**Report of the Management Board 2017**

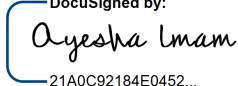
Amsterdam, 3 September 2018

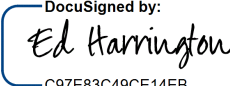
International Executive Directors:

J.L. Morgan  04-Oct-18
AE9D5BBF228C41D...

A.M. McDiarmid  03-Oct-18
39A551D8C9D041A...


Board:

A.M. Imam (chair)  04-Oct-18
21A0C92184E0452...

E.M. Harrington  05-Oct-18
C97E83C49CE14EB...

T.B. Makama

M.A. Ronquillo – Ballesteros

M.A. Hammer  08-Oct-18
37DE3F4662294DB...

S.R. Rajan

Management Board in 2017	Supervisory Board in 2017
Registered Directors	A. Toni (Chair) to Mar 2017
J.L. Morgan – International Executive Director	A.M. Imam (Chair) from Apr 2017
A.M. McDiarmid – International Executive Director	E.M. Harrington (Treasurer)
Other SMT Members	T.B. Makama
C.P. Fyfe –International Finance Director (until March 2018)	M.A. Ronquillo – Ballesteros
J. Dalziell – International People & Culture Director	M.A. Hammer
V. Hernandez – International Development Director to Mar 2017	S.R. Rajan
M. Damato – International Development Director from Mar 2017	A.E. Rosemberg (until April 2018)
J. Oldfield – Global Engagement Director	
T. Notenboom – International Operations Director from Mar 2017	
P. Husting – International Programme Director to Sept 2017	

Consolidated Financial Statements

**STICHTING GREENPEACE COUNCIL
CONSOLIDATED FINANCIAL STATEMENTS**

2017

STICHTING GREENPEACE COUNCIL

Consolidated Financial Statements**Consolidated Balance Sheet as at 31 December 2017
(After result appropriation)**

(all amounts in EUR 000s)	Note	2017	2016
ASSETS			
Fixed Assets			
Tangible Fixed Assets	5	25.462	23.618
Financial Fixed Assets	6	6.126	6.135
Total Fixed Assets		31.588	29.753
Current Assets			
Due from Greenpeace Organisations	7	9.731	14.808
Loans	6	1.283	1.333
Other Assets and Prepayments	8	1.751	2.138
Cash and cash equivalents	9	13.552	12.210
Total current assets		26.317	30.489
Total Assets		57.905	60.242
FUND AND LIABILITIES			
Fund balance	10	36.958	36.915
Provisions	11	1.964	3.573
Long term liabilities	12	7.169	8.519
Current liabilities			
Accounts payable to vendors	13	1.335	1.351
Due to Greenpeace Organisations	7	6.088	5.933
Loans	12	1.347	1.707
Tax and social security	13	678	596
Other liabilities and accruals	13	2.366	1.647
Total current liabilities		11.814	11.234
Total Equity and liabilities		57.905	60.242

STICHTING GREENPEACE COUNCIL

Consolidated Financial Statements

Consolidated Statement of Income and Expenditure 2017

(all amounts in EUR 000s)	Note	2017	2016
Income			
Contribution from Greenpeace Organisations	15	81.258	77.469
Other income	16	1.302	1.939
Total income		82.560	79.407
Expenditure			
Grants to Greenpeace Organisations	17	33.184	34.742
<i>Campaigns:</i>			
Oceans		1.347	1.158
Forests		2.149	2.503
Food for Life		1.493	1.446
Detox		1.245	969
Climate and Energy		2.732	2.382
Save the Arctic		2.318	1.593
		11.284	10.050
<i>Campaign Support:</i>	18		
Media and Communications		2.504	2.321
Marine Operations and Action Support		12.374	10.853
Other		-	370
		14.878	13.544
Global Engagement and Fundraising		7.025	4.877
Organisational Support	19	14.421	15.933
Total expenditure		80.792	79.145
Surplus before Share of Result in Participating interests and Financial Result		1.768	262
Share of Result in Participating Interests		11	7
Financial Result	22	(1.736)	(1.959)
Surplus/(Deficit) after Share of Result in Participating interests and Financial Result		43	(1.690)

Consolidated Financial Statements

Consolidated Statement of Changes in Equity for the year ended 31 December 2017

	<u>2017</u>	<u>2016</u>
(all amounts in EUR 000s)		
Balance as at 1 January	36.915	38.605
Add Surplus/(Loss) over the year	<u>43</u>	<u>(1.690)</u>
Balance at 31 December	<u>36.958</u>	<u>36.915</u>

Consolidated Financial Statements**Consolidated Cash Flow Statement for the year 2017**

(all amounts in EUR 000s)		<u>2017</u>	<u>2016</u>
	Note		
Net Result		43	(1.690)
Adjusted for:			
- Depreciation	21	2.990	3.049
- Financial result excluding (un)realised foreign exchange differences	22	145	460
- Change in Long Term Provisions	11	(1.609)	(1.061)
- Changes in receivables	7,8	5.464	(6.680)
- Changes in current liabilities	7,13	940	(929)
- Other value adjustments	6	-	366
Cashflow from Organisational Operations		<u>7.973</u>	<u>(6.485)</u>
Interest received	22	-	-
Interest paid	22	(141)	(108)
Cashflow from Operating Activities		<u>7.832</u>	<u>(6.593)</u>
Investments in :			
- Tangible Fixed Assets	5	(4.679)	(4.908)
- New Loans Financial Fixed Assets	6	(1.151)	(1.830)
Repayments on Financial Fixed Assets		327	464
Cashflow from Investing Activities		<u>(5.503)</u>	<u>(6.274)</u>
Repayment of Long-term debt	12	(1.324)	(966)
Take-up of Long-term debt	12	-	6.250
Cashflow from Financing Activities		<u>(1.324)</u>	<u>5.284</u>
Net cashflow		<u>1.005</u>	<u>(7.583)</u>
Exchange rate and translation differences on cash and cash equivalents	22	336	3
Changes in Cash and Cash Equivalents		<u>1.342</u>	<u>(7.580)</u>
Cash at beginning of the year		12.210	19.790
Cash at end of the year		13.552	12.210
Net (decrease) / increase		<u>1.342</u>	<u>(7.580)</u>

Notes:

1. Loans granted or received from National and Regional Organisations, together with repayments and interest, are not always transacted on a cash basis, but may be accounted for via the Inter-office accounts. Movements in lines involving loans with National and Regional Organisations will therefore not be directly traceable to the disclosure notes in the Financial Statements.
2. Other value adjustments in 2016 relate to the write off of uncollectable FIF Loans with Greenpeace Mediterranean.

STICHTING GREENPEACE COUNCIL**Consolidated Financial Statements**

Consolidated statement of comprehensive income 2017

	<u>2017</u>	<u>2016</u>
Net result	43	(1.690)
Items recognised directly in shareholders' equity	-	-
Total result	<u>43</u>	<u>(1.690)</u>

Consolidated Financial Statements

Notes to the Consolidated Financial Statements 2017

1. GENERAL

Reporting entity

Stichting Greenpeace Council (SGC) is domiciled in the Netherlands and registered at the address of Ottho Heldringstraat 5, 1066 AZ Amsterdam. SGC is registered at the Chamber of Commerce in Amsterdam, Netherlands, under number: 412 00 415

SGC and related entities are a combination of entities and organisations referred to in note 2 (Consolidation principles). For the purpose of these financial statements only hereafter mentioned as "Greenpeace International / GPI / the organisation". The objectives of the organisation include to promote both the conservation of the environment and peace. The organisation is part of the global network of independent National and Regional Greenpeace organisations. Activities undertaken by the organisation include enabling of Greenpeace campaigns worldwide, the management of the organisation's assets and the rendering of support to Greenpeace National & Regional Organisations in their development of campaigns.

Financial Reporting period

These financial statements cover the year 2017, which ended at the balance sheet date of 31 December 2017.

Basis of preparation

The financial statements have been prepared in accordance with Title 9, Book 2 of the Dutch Civil Code and International Financial Reporting Standards for Small and Medium Sized Entities (IFRS SMEs). The 2015 Amendments to the IFRS for SMEs became effective 1 January 2017. The vast majority of the 2015 changes concern clarifications to the current text of IFRS SME (2009) and, hence, have not lead to any changes impacting the financial reporting of Greenpeace International.

The accounting policies applied for measuring assets and liabilities and the determination of result are based on the historical cost convention, unless otherwise stated in the further principles.

Application of Section 402, Book 2 of the Dutch Civil Code

The financial information of the organisation is included in the consolidated financial statements. For this reason, in accordance with Section 402, Book 2 of the Dutch Civil Code, the separate Statement of Income and Expenditure of the organisation exclusively states the share of the result of participating interests after tax and the other income and expenses after tax.

Going concern

These financial statements have been prepared on the basis of the going concern assumption.

2. ACCOUNTING POLICIES

General

Assets and liabilities are measured at historical value, unless otherwise stated in the further principles. An asset is recognised in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. A liability is recognised in the balance sheet when it is expected that the settlement of an existing obligation will result in an outflow of resources embodying economic benefits and the amount of the obligation can be measured reliably.

Consolidated Financial Statements

An asset or liability that is recognised in the balance sheet, remains on the balance sheet if a transaction (with respect to the asset or liability) does not lead to a major change in the economic reality with respect to the asset or liability.

An asset or liability is no longer recognised in the balance sheet when a transaction results in all or substantially all rights to economic benefits and all or substantially all of the risks related to the asset or liability being transferred to a third party.

Income is recognised in the Statement of Income and Expenditure when an increase in future economic potential related to an increase in an asset or a decrease of a liability has arisen, the size of which can be measured reliably. Expenses are recognised when a decrease in the economic potential related to a decrease in an asset or an increase of a liability has arisen, the size of which can be measured with sufficient reliability.

Income and expenses are allocated to the period to which they relate. Further information on when revenue is recognised can be found in the Accounting Policy section "Income."

The financial statements are presented in Euros, the organisation's functional currency. All financial information in Euros has been rounded to the nearest thousand.

Use of estimates

The preparation of the financial statements requires the management to form opinions and to make estimates and assumptions that influence the application of principles and the reported values of assets and liabilities and of income and expenditure. Actual results may differ from these estimates. The estimates and the underlying assumptions are constantly assessed. Revisions of estimates are recognised in the period in which the estimate is revised and in future periods for which the revision has consequences.

The following accounting policies are in the opinion of management the most critical in preparing the financial statements and require estimates and assumptions. In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in these financial statements, are described in the following notes:

- Note 7 – Due from Greenpeace National & Regional Organisations;
- Note 11 – Provisions & Contingent Liabilities

Consolidation principles

Consolidation scope

The consolidated financial statements include the financial information of the foundation, its subsidiaries in the group, other group foundations or companies and other foundations or companies over which the foundation can exercise control or of which it conducts the central management. Subsidiaries are participating interests in which the foundation (and/or one or more of its subsidiaries) can exercise more than half of the voting rights in the general meeting, or can appoint or dismiss more than half of the managing directors or supervisory directors. Group companies/ foundations are participating interests in which the foundation has a majority interest, or in which it can exercise decisive influence (control) by other means. In assessing whether controlling interest exists, potential voting rights are taken into account that can be exercised in such a way that they will provide the foundation with more or less influence.

Newly acquired participating interests are consolidated as from the date that decisive influence (control) can be exercised. Participating interests disposed of remain included in the consolidation until the date of loss of this influence.

Entities included in the consolidated financial statements are summarised as follows:

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Name	Place of Incorporation	Category
Stichting Greenpeace Council	Amsterdam	
Stichting Phoenix	Amsterdam	Investee
Stichting Iris	Amsterdam	Investee
Stichting Rubicon	Amsterdam	Investee
Stichting Theseus	Amsterdam	Investee
Greenpeace Licensing B.V.	Amsterdam	Subsidiary (100%)
Direct Dialogues Initiatives India ¹	Bangalore, India	Subsidiary (99.9%)

Consolidation method

The consolidated financial statements are prepared by using uniform accounting policies for measurement and determination of result of the group.

In the consolidated financial statements, intragroup shareholdings, liabilities, receivables and transactions are eliminated. Subsidiaries are consolidated in full.

Principles for the translation of foreign currency

Transactions in foreign currencies

At initial recognition, transactions denominated in foreign currency are translated into the relevant functional currency (Euro) of the foundation at the exchange rate applying on the transaction date.

Monetary assets and liabilities denominated in foreign currency are translated at the balance sheet date into to the functional currency at the exchange rate applying on that date. Exchange differences resulting from the settlement of monetary items, or resulting from the translation of monetary items denominated in foreign currency, are recognised in the Statement of Income and Expenditure in the period in which they arise. Exempted from this are exchange differences on monetary items that are part of a net investment in a foreign operation (see below).

Non-monetary assets and liabilities denominated in foreign currency that are measured based on historical cost, are translated into euros at the exchange rates applying on the transaction date.

Foreign operations

The assets and liabilities that are part of the net investment in a foreign operation are translated into euros at the exchange rate prevailing at the balance sheet date. The revenues and expenses of such a foreign operation are translated into euros at the exchange rate on the transaction date. Currency translation differences will be recognised in the translation reserve within equity.

When a foreign operation is fully or partially sold, the corresponding cumulative amount is transferred from the translation reserve to the profit and loss account

Financial instruments

Financial instruments include investments in shares and bonds, trade and other receivables, cash items, loans and other financing commitments, derivative financial instruments, trade payables and other amounts payable. These financial statements contain the following financial instruments: loans and receivables (issued) and other financial liabilities.

¹ Direct Dialogue Initiatives India Private Limited is a company incorporated on 19th October 2016 as a Private Limited Company and is engaged in the activities of providing fund raising, marketing and other associated back end services to various organisations in the social development sector.

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Financial assets and liabilities are recognised in the balance sheet at the moment that the contractual risks or rewards with respect to that financial instrument originate. Financial instruments are derecognised if a transaction results in a considerable part of the contractual risks or rewards with respect to that financial instrument being transferred to a third party.

Financial instruments (and individual components of financial instruments) are presented in the consolidated financial statements in accordance with the economic substance of the contractual terms. Presentation of the financial instruments is based on the individual components of financial instruments as a financial asset, financial liability or equity instrument.

Financial instruments are initially measured at fair value, including discount or premium and directly attributable transaction costs. GPI has no derivative financial instruments embedded in contracts. After initial recognition, financial instruments are valued in the manner described below.

Loans granted and other receivables

Loans granted and other receivables are carried at amortised cost on the basis of the effective interest method, less impairment losses. The effective interest and impairment losses, if any, are directly recognised in the Statement of Income and Expenditure. Purchases and sales of financial assets that belong to the category loans granted and other receivables are accounted for at the transaction date.

Long-term and current liabilities and other financial commitments

Long-term and current liabilities and other financial commitments are measured after their initial recognition at amortised cost on the basis of the effective interest rate method. The effective interest is directly recorded in the profit and loss account. Redemption payments regarding long-term liabilities that are due next year, are presented under current liabilities.

Impairment of financial assets

A financial asset is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, with negative impact on the estimated future cash flows of that asset, which can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, indications that a debtor or issuer is approaching bankruptcy, or the disappearance of an active market for a security.

The entity considers evidence of impairment for financial assets measured at amortised cost (loan and receivables and financial assets that are held to maturity) both individually and on a portfolio basis. All individually significant assets are assessed individually for impairment. Those individually significant assets found not to be individually impaired and assets that are not individually significant are then collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment, the foundation uses historical trends of the probability of default, the timing of collections and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss in respect of a financial asset stated at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

Impairment losses are recognised in the Statement of Income and Expenditure and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised by using the asset's original effective interest rate.

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When, in a subsequent period, the amount of an impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognised, the decrease in impairment loss is reversed through profit or loss (up to the amount of the original cost).

Offsetting financial instruments

A financial asset and a financial liability are offset when the foundation has a legally enforceable right to set off the financial asset and financial liability and there is a firm intention to settle the balance on a net basis, or to settle the asset and the liability simultaneously.

Tangible fixed assets

The tangible fixed assets are measured at cost, less accumulated depreciation and impairment losses.

The cost comprises the price of acquisition or manufacture, plus other costs that are necessary to get the assets to their location and condition for their intended use. Expenditure is only capitalised when it extends the useful life of the asset. The cost of self-constructed assets includes the cost of materials and consumables and other costs that can be directly attributed to the construction. In addition, the cost of construction includes a reasonable part of the indirect costs and interest on loans for the period attributable to the construction of the asset. Investment grants are deducted from the cost of the assets to which the grants relate.

Depreciation is recognised in the Statement of Income and Expenditure on a straight-line basis over the estimated useful lives of each item of the tangible fixed assets till the level of the residual value. Land, tangible fixed assets under construction and prepayments on tangible fixed assets are not depreciated. Depreciation starts as soon as the asset is available for its intended use, and ends at decommissioning or divestment.

The estimated useful lives are as follows:

Leasehold improvements	3 years
Ships and ships equipment	4 - 30 years
Motor vehicles and office equipment	5 years
Computer equipment	3 years

If an item of tangible fixed assets comprises individual components for which different depreciation methods or rates are appropriate, then each component is depreciated separately.

Maintenance expenditures are only capitalised when the maintenance leads to extension of the useful life of the asset.

Decommissioning costs are capitalised as part of the asset at the time of recognition of the decommissioning provision and are depreciated over the estimated useful life of the asset.

Assets retired from active use are measured at the lower of book value or net realisable value.

Financial fixed assets

Participating interests with significant influence

Participating interests where significant influence can be exercised over the business and financial policies are valued according to the equity method on the basis of net asset value. If measurement at net asset value is not possible because the information required for this cannot be obtained, the participating interest is measured according to the visible equity. In assessing whether the Company has significant influence over the business and financial policies of a participating interest, all facts and circumstances and contractual relationships, including potential voting rights, are taken into account.

The net asset value is calculated on the basis of the Company's accounting policies.

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If the Organisation transfers an asset or a liability to a participating interest that is measured according to the equity method, the gain or loss resulting from this transfer is recognised to the extent of the relative interests of third parties in the participating interest (proportionate determination of result). Any loss that results from the transfer of current assets or an impairment of fixed assets is fully recognised. Results on transactions involving transfer of assets and liabilities between the Organisation and its participating interests and mutually between participating interests are eliminated to the extent that these cannot be regarded as having been realised.

Unrealised profits on transactions with participating interests that are accounted for at net asset value are eliminated to the extent of the Organisation's share in the participating interest. This elimination is allocated to the share of result from participating interests and the net asset value of the participating interest.

The Organisation realises the eliminated result as a result of a sale to third parties, depreciation or impairment of the transferred assets recognised by the participating interest.

Impairments of fixed assets

Tangible and intangible fixed assets and financial fixed assets over which significant influence can be exercised are assessed at each reporting date whether there is any indication of an impairment. If any such indication exists, the recoverable amount of the asset is estimated. The recoverable amount is the higher of value in use and net realisable value. If it is not possible to assess the recoverable amount for an individual asset, the recoverable amount is assessed for the cash-generating unit to which the asset belongs.

When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, an impairment loss is recognised for the difference between the carrying amount and the recoverable amount. If there is an impairment loss for a cash-generating unit, the loss is first allocated to goodwill allocated to the cash-generating unit. Any residual loss is allocated to the other assets of the unit pro rata to their book values. Subsequently, at each reporting date, the entity assesses whether there is any indication that an impairment loss that was recorded in previous years has been decreased. If any such indication exists, then the recoverable amount of the asset or cash-generating unit is estimated.

Reversal of a previously recognised impairment loss only takes place when there is a change in the assessment used to determine the recoverable amount since the recognition of the last impairment loss. In such case, the carrying amount of the asset (or cash-generating unit) is increased to its recoverable amount, but not higher than the carrying amount that would have applied (net of depreciation) if no impairment loss had been recognised in previous years for the asset (or cash-generating unit).

Disposal of fixed assets

Fixed assets available for sale are stated at the lower of their carrying amount and net realisable value.

Receivables

The accounting policies applied for the valuation of trade and other receivables and securities are described under the heading 'Financial instruments'.

Cash and cash equivalents

Cash and cash equivalents are stated at nominal value. If cash and cash equivalents are not readily available, this fact is taken into account in the measurement.

Cash and cash equivalents denominated in foreign currencies are translated at the balance sheet date in the functional currency at the exchange rate ruling at that date. Reference is made to the accounting policies for foreign currencies.

Equity

The additions to and the withdrawals from the reserves and funds reflect the results and activities for the year.

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General reserves

This part of the reserves is freely available to be spent in accordance with the mission of Greenpeace International.

Earmarked reserves

The earmarked reserves are related to funds earmarked by the Management Board to be spent on a designated purpose. The earmarked reserves do not reflect an obligation towards any third party and the Management Board has the authority to reverse this reserve.

Provisions

A provision is recognised if the following applies:

- the organisation has a legal or constructive obligation, arising from a past event; and
- the amount can be estimated reliably; and
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

If all or part of the payments that are necessary to settle a provision are likely to be fully or partially compensated by a third party upon settlement of the provision, then the compensation amount is presented separately as an asset.

Provisions are stated at the nominal value of the best estimate of the expenditures that are expected to be required to settle the liabilities and losses.

Provision for restructuring costs

A restructuring provision is recognised when at the balance sheet date the entity has a detailed formal plan, and ultimately at the date of preparation of the financial statements a valid expectation of implementation of the plan has been raised in those that will be impacted by the reorganization. A valid expectation exists when the implementation of the reorganization has been started, or when the main elements of the plan have been announced to those for whom the reorganization will have consequences.

The provision for restructuring costs includes the costs that are directly associated with the restructuring, which are not associated with the ongoing activities of the organisation.

Provision for decommissioning

A provision is recognised for expected costs of dismantling of the ships after their useful life. The expected costs are based on the 'Ship Recycling Regulation' as adopted by the European parliament and the Council of the European Union on 20 November 2013. This regulation also covers the pre-cleaning as mentioned in the Basel-convention.

Provision for claims, disputes and lawsuits

A provision for claims, disputes and lawsuits is established when it is expected that a verdict awarding claims and/or legal costs may be awarded against the organisation in legal proceedings. The provision represents the best estimate of the amount for which the claim can be settled, including the costs of litigation.

Long-term liabilities

The valuation of long-term liabilities is explained under the heading 'Financial instruments'.

Current liabilities

The valuation of current liabilities is explained under the heading 'Financial instruments'.

Income

The majority of income relates to contributions from Greenpeace National and Regional Organisations. The contribution amounts are agreed annually between Greenpeace International and each Greenpeace National and

Consolidated Financial Statements

Regional Organisation during the Organisational Development Plan process, in advance of the year to which the income relates. Income is recognised to the extent that it is probable that the economic benefits will flow to Greenpeace International and the revenue can be reliably measured, regardless of when the payment is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and taxes or duty.

Donations received without a legal restriction on how to spend them are accounted for as income in the earliest reporting period in which they were received or committed to.

Employee benefits/pensions

Employee benefits are charged to Statement of Income and Expenditure in the period in which the employee services are rendered and, to the extent not already paid, as a liability on the balance sheet. If the amount already paid exceeds the benefits owed, the excess is recognised as a current asset to the extent that there will be a reimbursement by the employees or a reduction in future payments by the organisation.

For benefits with accumulating rights, e.g. sabbatical leave the projected costs are taken into account during the employment.

If a benefit is paid in case of non-accumulating rights (e.g., continued payment in case of sickness or disability), the projected costs are recognised in the period in which such benefit is payable.

The recognised liability relates to the best estimate of the expenditure necessary to settle the obligation at the balance sheet date. The best estimate is based on contractual agreements with employees (collective agreement and individual employment contract). Additions to and reversals of liabilities are charged or credited to the Statement of Income and Expenditure.

Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of the employment. A termination benefit is recognised as a liability and an expense when the organisation is demonstrably and unconditionally committed to make the payment of the benefit. If the termination is part of a restructuring, the costs of the termination benefits are part of the restructuring provision. See the policy under the heading Provisions. Termination benefits are measured in accordance with their nature. When the termination benefit is an enhancement to post-employment benefits, measurement is done according to the same policies as applied to post-employment plans. Other termination benefits are measured at the best estimate of the expenditures required to settle the liability.

Dutch pension plans

The organisation operates a defined contribution pension scheme for all salaried staff excluding ships' crew. The assets of the pension scheme are held separately from those of the organisation in an independently administered fund for which the organisation provides no guarantee.

The basic principle is that the pension charge to be recognised for the reporting period is equal to the pension contributions payable to the pension provider over the period (defined contribution).

In so far as the payable contributions have not yet been paid as at balance sheet date, a liability is recognised. If the contributions already paid at balance sheet date exceed the payable contributions, a receivable is recognised to account for any repayment by the fund or settlement with contributions payable in future.

Leasing

The organisation may enter into financial and operating leases. A lease agreement under which the risks and rewards of ownership of the leased object are carried entirely or almost entirely by the lessee are classified as

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finance leases. All other leases are classified as operating leases. For the lease classification, the economic substance of the transaction is conclusive rather than the legal form.

Operational leases

If the organisation acts as lessee in an operating lease, the leased property is not capitalised. Benefits received as an incentive to enter into an agreement are recognised as a reduction of rental expense over the lease term. Lease payments and benefits regarding operating leases are recognised to the profit and loss account on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern of the benefits from the use of the leased asset.

Interest receivable and similar income and interest payable and similar charges

Interest income is recognised in the Statement of Income and Expenditure on an accruals basis, using the effective interest rate method. Interest expenses and similar charges are recognised in the period to which they belong.

Premium, discount and redemption premiums will be recognised as interest expense in the period to which they belong. The allocation of these interest expenses and the interest income on the loan is the effective interest rate that will be recognised in the Statement of Income and Expenditure.

Share in result of participating interests

The share in the result of participating interests consists of the share of the group in the results of these participating interests, determined on the basis of the accounting principles of the group. Results on transactions, where the transfer of assets and liabilities between the group and the non-consolidated participating interests and mutually between non-consolidated participating interests themselves, are not recognised as they can be deemed as not realised.

The results of participating interests acquired or sold during the financial year are measured in the group result from the date of acquisition or until the date of sale respectively.

Determination of fair value

The fair value of a financial instrument is the amount for which an asset can be sold or a liability settled, involving parties who are well informed regarding the matter, willing to enter into a transaction and are independent from each other.

- The fair value of non-listed financial instruments is determined by discounting the expected cash flows to their present value, applying a discount rate that is equal to the current risk-free market interest rate for the remaining term, plus credit and liquidity surcharges.

Related parties

Transactions with related parties (refer to note 24 for the identified related parties) are disclosed if they have not been entered into at arm's length. The nature and amounts of the transactions involved are disclosed, and other information that is deemed necessary for an insight into the transactions.

Subsequent events

Events that provide further information on the actual situation at the balance sheet date and that appear before the financial statements are being prepared, are recognised in the financial statements.

Events that provide no information on the actual situation at the balance sheet date are not recognised in the financial statements. When those events are relevant for the economic decisions of users of the financial statements, the nature and the estimated financial effects of the events are disclosed in the financial statements.

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3. CASH FLOW STATEMENT

The cash flow statement is prepared using the indirect method. Cash flows in foreign currency are translated into euros using the weighted average exchange rates at the dates of the transactions. Foreign exchange differences with regard to cash and cash equivalents are presented separately in the cash flow statement.

Loans granted or received from National and Regional Organisations, together with repayments and interest, are not always transacted on a cash basis, but may be accounted for via the Inter-office accounts. Movements in line items on the Cash flow Statement involving loans with National and Regional Organisations will therefore not be directly traceable to the disclosure notes in the Financial Statements.

4. FINANCIAL RISK

General

During the normal course of business, the organisation may use various financial instruments that expose it to market, currency, interest, cash flow, credit and liquidity risks. The organisation has strict policies which provide a framework for controlling these risks. The organisation does not trade in financial derivatives.

4.1 Liquidity risk

The Organisation monitors its cash position by using successive liquidity budgets. Our liquidity policy aims to maintain a capital structure that enables us to achieve our strategic objectives and daily operational needs, to safeguard our ability to continue as a going concern and to meet our current obligations. The Board reviews liquidity performance against budgets periodically to ensure timely mitigating measures can be taken if needed. At the end of 2017, 37.6% of the reserves were retained in cash at hand and in bank (2016: 32.9%).

The organisation faces a risk due to the timing in respect of receiving the funding from the supporting National and Regional Organisations. This is due to meeting legislative requirements in various countries governing the charitable status of donations received. The organisation is fully aware of this and has dedicated resources available to monitor the cash flow and mitigate this risk. The organisation has successfully managed this risk.

4.2 Credit and cash-flow risk

Credit risk arises principally from the Company loans and receivables presented under financial fixed assets, trade and other receivables and cash. The maximum amount of credit risk that the Company is exposed to is EUR 17.8 million, consisting of FIF and Other Loans: EUR 7.4 million, National and Regional Organisations current receivables: EUR 9.7 million, Other receivables: EUR 0.7 million

The organisation's credit risk lies with the ability of supported National and Regional Organisations to pay contributions and repayment of the loans they received, since the majority of receivables are with National and Regional Organisations.

4.3 Interest rate and cash-flow risk

It is the Organisation's policy to finance its operations with loans from Greenpeace National and Regional Operations bearing fixed interest rates.

The Organisation runs an interest rate risk on interest bearing assets and liabilities and on the refinancing of existing loans. The Organisation runs a fair value risk on fixed interest rate loans.

The Organisation has receivables and payables on which interest is calculated. These interest rates are agreed on favourable conditions for the National and Regional Organisations compared to market conditions. When market conditions change so will the interest rate change for new contracts and for some non-fixed contracts. It is the organisation's opinion that the exposure to interest risks is minimal and does not require any additional

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instruments. The organisation will monitor the hedge and exposure on a regular basis to assess if further action is needed.

4.4 Currency risk

The organisation is exposed to purchases, incoming and outgoing loans, payables and receivables, and incoming and outgoing contributions to National and Regional Organisations that are denominated in currencies other than the respective functional currency, the Euro.

During the financial year 2017 the organisation did not enter into any new forward foreign currency contracts (2016: no forward foreign currency contracts were entered into. No exchange contracts were outstanding at the end of 2017 and 2016.

The foreign currency exposure of the organisation is limited to the amounts not covered by the natural hedge of incoming and outgoing cash and the changes in assets and liabilities in foreign currency. The foreign currency exposure on the assets and liabilities included in the financial statements 2017 has been calculated by external treasury specialists, Zanders Treasury and Finance Solutions, and is estimated at EUR 2.4 million for the year ahead with a confidence of 97.5% on the volatility of the used foreign currencies.

4.5 Fair value

The fair value of most of the financial instruments recognised on the balance sheet, including receivables, cash and cash equivalents and current liabilities, is approximately equal to their carrying amount.

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Notes to the Consolidated Balance Sheet

5. TANGIBLE FIXED ASSETS

The movement of the tangible fixed assets was as follows:

(all amounts in EUR 000s)	Leasehold Improvements	Ships	Equipment	Assets under Construction	Total
Purchase	484	38.151	10.275	3.087	51.997
Accumulated depreciation	(85)	(18.759)	(9.535)	-	(28.379)
Book Value @ 31 December 2016	<u>398</u>	<u>19.393</u>	<u>740</u>	<u>3.087</u>	<u>23.618</u>
Changes in carrying amount:					
Investments	76	4.453	293	-	4.822
Transfers	-	3.087	-	(3.087)	-
Disposals	-	6	6	-	12
Depreciation	(93)	(2.497)	(400)	-	(2.990)
Book Value @ 31 December 2017	<u>381</u>	<u>24.442</u>	<u>639</u>	<u>(0)</u>	<u>25.462</u>
Purchase	559	45.611	5.454	-	51.624
Accumulated depreciation	(178)	(21.169)	(4.815)	-	(26.162)
Book Value @ 31 December 2017	<u>381</u>	<u>24.442</u>	<u>639</u>	<u>-</u>	<u>25.462</u>

The book value of the ships is shown in the table below:

Book Value of the Ships (all amounts in EUR 000s)	Inflatables	Arctic Sunrise	Esperanza	Rainbow Warrior III	Total
Hull and Structure	-	5.838	300	9.018	-
Dry Docking	-	68	450	346	-
Main Engines	-	101	92	2.093	-
Plant and Machinery	-	305	73	3.029	-
Auxiliary Engines	-	38	136	295	-
Sail and Rigging	-	0	0	1.017	-
Communications/Navigation	-	180	70	409	-
Equipment	-	190	59	32	-
Inflatables	195	0	-	0	-
	<u>195</u>	<u>6.721</u>	<u>1.180</u>	<u>16.239</u>	<u>24.335</u>
Decommissioning	-	-	107	-	107
Book Value (as at 31 December 2017)	<u>195</u>	<u>6.721</u>	<u>1.287</u>	<u>16.239</u>	<u>24.442</u>

The organisation estimates the useful life and the present value of the capitalised decommissioning costs as follows:

- Marine vessel Arctic Sunrise: useful life until 2033 (following refurbishment in 2016); capitalised decommissioning cost EUR 0K
- Marine vessel Esperanza: useful life until 2019; capitalised decommissioning cost EUR 107K.
- Marine vessel Rainbow Warrior III: useful life until 2041; capitalised decommissioning cost EUR 0K.

In 2016 it was decided to calculate the decommissioning provision of the ships according to the 2013 EU Directive for the dismantling and recycling of waste. At the same time a new calculation was made of the future costs for dismantling the ships. Based on the revised calculations, there was a release of the provision, the decommissioning assets of the Arctic Sunrise and Rainbow Warrior III were fully depreciated, and the decommissioning asset of the Esperanza was further depreciated.

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Tangible fixed assets include an amount of EUR 3.5 million (2016: EUR 4.1 million) which is pledged as security for the loan with Greenpeace Germany.

6. FINANCIAL FIXED ASSETS

The financial fixed assets contains:

	<u>2017</u>	<u>2016</u>
(all amounts in EUR 000s)		
Participation	45	35
Loans to Greenpeace entities:		
Fundraising Investment Fund	2.939	3.013
Other Loans	<u>3.142</u>	<u>3.087</u>
	<u>6.126</u>	<u>6.135</u>

Participation

The organisation has an investment representing a 25.6% interest in Via Ex CVBA/SCRL, registered in Schaerbeek, Belgium. The entity owns the building used by Greenpeace Belgium. The initial cost of the investment was EUR 80K. The value of the investment recorded in the accounts was depreciated to nil in 2005 in accordance with the equity method of accounting. In 2017 the entity made a profit of EUR 42K (2016: EUR 27K). After incorporating the 25.6% (EUR 10.6K) share of the profit, the result is a positive equity at year end of EUR 45K (2016: EUR 35K). The result of the year was the only movement in the participation in both 2017 and 2016.

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(all amounts in EUR 000s)			<u>2017</u>	<u>2016</u>
Fundraising Investment Fund	Loan Currency	Interest %		
Greenpeace Argentina	ARS	0,25%	91	-
Greenpeace Africa	ZAR	0,30%	98	232
Greenpeace Brazil	BRL	0,30%	445	509
Greenpeace Canada	CAD	0.30 - 0.40%	166	486
Greenpeace Central and Eastern Europe (Poland)	PLN	1,00%	-	301
Greenpeace Chile (Greenpeace Andino)	CLP	0,30%	158	137
Greenpeace Colombia FIF Loan	COP	0,25%	194	-
Greenpeace East Asia	CNY	0.3% - 0.75%	1.885	1.976
Greenpeace Greece	EUR	0.3%-0.75%	240	223
Greenpeace Japan	JPY	0,30%	-	35
Greenpeace Mediterranean	EUR	1.50-2.00%	-	150
Greenpeace Mexico	MXN	0,30%	275	13
Greenpeace Nordic	SEK	0,75%	-	-
Greenpeace US	USD	0,30%	801	285
			<u>4.353</u>	<u>4.346</u>
Allowance against loans and receivables			(138)	-
			<u>4.215</u>	<u>4.346</u>
Other loans				
Long term rental deposit - DDII	INR	0,00%	60	-
Greenpeace Russia	RUB	0,00%	185	181
Greenpeace United Kingdom (Canonbury Villas Ltd)	GBP	0,00%	2.903	2.906
			<u>3.148</u>	<u>3.087</u>
Loans Total			<u>7.363</u>	<u>7.433</u>
Current Loans			1.421	1.333
Allowance against loans and receivables			(138)	-
Current Loans after allowance against loans and receivables			<u>1.283</u>	<u>1.333</u>
Non-current Loans			6.080	6.100
Loans Total			<u>7.363</u>	<u>7.433</u>

The movement on the loans during the year is shown below:

At 1 January	7.433	7.665
New loans and additions	1.887	1.830
Interest	22	28
Repayments	(1.576)	(1.290)
Translation differences	(375)	(580)
Unwinding amortised costs	111	147
Impairments	-	(366)
At 31 December	<u>7.501</u>	<u>7.433</u>
Allowance against loans and receivables	(138)	0
	<u>7.363</u>	<u>7.433</u>

Additional details of the loans are as follows:

- The Fundraising Investment Fund is a tool to increase income and to invest in opportunities for growth, long term returns and / or the opportunity to build priority National & Regional Organisations' sustainability. The interest rates for Fundraising Investment Fund loans are set at the European Central Bank (ECB) Marginal Lending Facility rate. Normally repayment within a period of 24 months is agreed upon.
- The Greenpeace Russia interest free loan was made to help facilitate the purchase of an office property by Greenpeace Russia. The loan is repayable in 24 equal annual instalments of Rouble (RUB) 370K and a final payment of RUB 43.5 million in December 2030. The unwinding of the amortised costs in 2017 is EUR 20K (2016: EUR 19K) (at average exchange rate).
- The Greenpeace United Kingdom (Greenpeace UK) interest free loan was made to a Greenpeace UK related party company, Canonbury Villas Ltd, to help facilitate the repayment of a mortgage on the property of the Greenpeace

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UK office premises. The loan is repayable in April 2023. The unwinding of the amortised costs in 2017 is EUR 91K (2016: EUR 128K) (at average exchange rate).

- The organisation did not recognise any impairments to loan balances in 2017 (2016: EUR 366K). In 2017 the organisation made an allowance of EUR 138K (2016: EUR 0K) against the Fundraising Investment Fund Loans, due to the instability in the financial situation of one of the Greenpeace National Organisations. The organisation does not foresee any other uncollectable amounts and no further allowances are made in relation to this.

7. DUE FROM AND TO GREENPEACE ORGANISATIONS

The financial position at year end can be presented as shown in the table below:

In 2017 the organisation made an allowance of EUR 1,266K (2016: EUR 0K) against balances with National and Regional Greenpeace Organisations due to the instability in the financial situation or legal restrictions in transferring cash faced by the National Regional Greenpeace Organisation. The organisation does not foresee any other uncollectable amounts and no further allowances are made in relation to this.

All receivables and current liabilities from National and Regional Organisations have an estimated maturity shorter than one year.

No interest is charged on these short term receivables and current liabilities with Greenpeace National and Regional Organisations.

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National and Regional Greenpeace Organisations

(all amounts in EUR 000s)

	Receivables		Current liabilities	
	2017	2016	2017	2016
Africa	509	-	-	21
Argentina	951	910	-	-
Central and Eastern Europe	-	264	321	554
Australia Pacific	-	4	282	-
Belgium	95	629	-	-
European Unit	-	-	328	125
Brazil	-	-	144	160
Canada	53	25	-	-
Chile	500	468	-	-
Czech Republic	28	-	-	17
East Asia	321	-	-	176
France	42	-	-	120
Germany	3.235	7.559	-	-
Greece	-	-	270	113
India	-	-	2.257	2.774
Italy	-	-	62	11
Japan	-	-	92	21
Luxembourg	-	-	190	67
Mediterranean	734	3	-	-
Mexico	82	-	-	202
Netherlands	900	-	-	7
New Zealand	11	150	-	-
Nordic	2.391	1.360	-	-
Russia	-	-	2	43
Science Unit	19	-	-	13
Spain	194	263	-	-
South East Asia	-	395	555	-
Switzerland	124	-	-	221
United Kingdom	-	-	544	574
USA Foundation	808	2.779	-	-
USA Inc.	-	-	1.041	712
	<u>10.997</u>	<u>14.808</u>	<u>6.088</u>	<u>5.933</u>

Allowance against loans and receivables

(1.266)

Total after allowance against loans and receivables

9.731

8. OTHER ASSETS AND PREPAYMENTS

(all amounts in EUR 000s)

	2017	2016
Prepayments	641	1.381
Fuel	365	187
Other receivables	746	570
	<u>1.752</u>	<u>2.138</u>

In other assets and prepayments all receivables have an estimated maturity shorter than one year.

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(all amounts in EUR 000s)	2017	2016
Deposits	65	65
Credit balances on bank accounts	13.486	12.145
	<u>13.551</u>	<u>12.210</u>

The bank current accounts includes a bank guarantee of EUR 85K (2016: EUR 85K) in respect of the organisation's rental lease for the Amsterdam premises. There is another guarantee of INR 2 million (EUR 26K) in respect of a legal guarantee for Greenpeace India.

Deposits included under cash and cash equivalents only represent deposits that are available on demand

10. FUND BALANCE ANALYSIS

The movement in the fund balance is shown in the 'Statement of changes in Equity'.

The organisation's reserves policy calls for sufficient available reserves to cover for contingent liabilities and other risks related to its operations. In this context, available reserves equal the fund balance less allocation for tangible fixed assets (net book value) and less designated reserves held for future commitments and risks. These commitments, liabilities and risks are assessed annually. The available reserves level is calculated as follows:

	General Reserves	Earmarked Reserves			Total
	Free available	Decommissioning RWII	Tangible Fixed Assets	Foreign Exchange Risk	
(all amounts in EUR 000s)					
Balance at 31 December 2016	11.497	300	22.610	2.509	36.915
Result over the year	43				43
Movement	<u>(1.768)</u>		<u>1.852</u>	<u>(84)</u>	<u>-</u>
Balance at 31 December 2017	<u>9.772</u>	<u>300</u>	<u>24.462</u>	<u>2.425</u>	<u>36.958</u>

GPI has the following earmarked reserves and funds:

Decommissioning Rainbow Warrior II

We no longer own the Rainbow Warrior II, but have committed to its decommissioning at the highest environmental standards when it comes to the end of its useful life. We estimate the amount to be EUR 0.3 million. However, due to the uncertainty around when and where the decommissioning of the Rainbow Warrior II will take place, this estimate is the best guess but cannot be considered a reliable estimate, and hence the amount is not included in Provisions.

Fixed Assets Reserve

The amount of EUR 24.5 million has been allocated for financing tangible fixed assets. This comprises the NBV of Tangible Fixed Assets of EUR 25.5 million less the estimated scrap value of the ships of EUR 1.0 million. The reserve

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represents the net book value (purchase price less depreciation) of all tangible fixed assets. The value of the reserve fluctuates through purchase, depreciation and disposal of fixed assets during the year.

Foreign Exchange Reserve

The Foreign Exchange reserve is used to manage the risks we face due to assets, liabilities and cash flows (in and out) in currencies other than the Euro. The reserve is based on an amended 'variance at risk' model, known as 'budget at risk'. This is a statistical calculation that calculates the estimated exchange risk for the year ahead with a confidence of 97.5% on the volatility of the used foreign currencies. The calculation is outsourced by the Organisation to treasury specialists, Zanders Treasury and Finance Solutions

11. PROVISIONS

Movements in provisions can be specified as follows:

(all amounts in EUR 000s)	Legal	Restructuring	Decommissioning	Total
Balance at 1 January 2017	1.165	1.116	1.292	3.573
Provisions made during the year	-	158	47	205
Provisions used during the year	(60)	(607)	-	(667)
Provisions reversed during the year	(775)	(372)	-	(1.147)
Balance at 31 December 2017	330	295	1.339	1.964

Legal Provisions

The organisation has been subject to claims as a result of legal proceedings. The organisation may on a case-by-case basis decide to help fund expenses (awarded claims and / or legal costs) that may arise in legal proceedings against the independent Greenpeace National & Regional Organisations. These claims, and the related legal costs have been provided for as follows:

1. The organisation is a co-defendant in a legal case in 2010. A legal provision for EUR 300K (2016: EUR 265K) is made in accordance with legal advice.
2. In 2016 the organisation had agreed to contribute to legal costs and liability in 3 long-lasting legal cases against one of the National and Regional Organisations. The organisation provided EUR 180K for legal costs in 2016, which was been reversed in 2017 as the amount cannot be estimated reliably.
3. The organisation is a defendant in a legal case. The judgement, dated September 2006, awarded damages for EUR 44K plus interest from the date of the suit and the claimant's legal costs, the amount of which is unknown. An appeal has been filed. In 2016 a legal provision EUR 100K was made in accordance with legal advice. In 2017 the decision was made to reverse this provision as the amount cannot be estimated reliably.
4. The organisation has agreed to contribute to legal costs and liability in a legal case against one of the National and Regional Organisations dated June 2015. A legal provision of EUR 175K was made in 2016. In 2017 the decision was made to reverse this provision as the amount cannot be estimated reliably.
5. The organisation is a co-defendant in two legal case abroad. In 2016 a legal provision was made for EUR 250K for one of the legal cases. In 2017 the decision was made to reverse this provision as the amount cannot be estimated reliably for either of the legal cases.
6. The organisation is involved in one smaller case that is expected to end within the next two years. Current legal costs are provided for EUR 30K (2016: 195K).

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Approximately EUR 17K (year-end 2016: approximately EUR 60K) of the provision is due within one year

Restructuring

The organisation has a provision for restructuring that mainly relates to a restructuring plan that was formalised in 2014, which calls for an adjustment in the organisation due to changes in the ways of working. The addition to the provision in 2017 is for the last (additional) part of the restructuring. The employees involved will be supported in finding new employment outside the organisation and are entitled to a redundancy arrangement that is dependent on their salary and years of service with the organisation. The provision covers the estimated costs for outplacement and redundancy. The movement in the provision in 2017 includes the reversal of the provision for one employee.

All of the provision is due within one year (2016: EUR 607K).

Decommissioning

The organisation has three ships in operation. The present value of the balance of cost and yield for decommissioning is EUR 1,339K (2016: EUR 1,292K). The organisation is a long-time advocate for upgrading the legal requirements for decommissioning to a more environmentally responsible level. The provision for decommissioning is based on these strict standards (the EU directive on 'Ship Recycling Regulation'). The provision is based on the estimated decommissioning cost and life span of the ships and are re-assessed by management on a yearly basis. Based on the re-assessment of the estimated costs there was a release of the provision of 1,678k in 2016 (2017: nil).

12. LONG TERM LIABILITIES

Loans due to Greenpeace National & Regional Organisations

(all amounts in EUR 000s)

	Loan Currency	2017	2016
Rainbow Warrior III Loans			
Greenpeace Germany	EUR	2.797	3.498
Greenpeace United Kingdom	GBP	90	118
Greenpeace US	USD	-	360
		<u>2.887</u>	<u>3.976</u>
Arctic Sunrise Loan			
Greenpeace Germany	EUR	5.625	6.250
		<u>5.625</u>	<u>6.250</u>
Total Loans		<u>8.512</u>	<u>10.226</u>
Current loans		1.347	1.707
Non-current loans			
Due to National and Regional Organisations > 5 years		2.500	3.128
Due to National and Regional Organisations >1-5 years		4.665	5.391
		<u>7.165</u>	<u>8.519</u>
		8.512	10.226
Deferred Tax liability		4	-
Total Long term liabilities		<u>7.169</u>	<u>8.519</u>

Consolidated Financial Statements**Rainbow Warrior Loans**

- Greenpeace Germany: denominated in EUR and bearing interest of 1.5% per annum over the Euro Interbank Offered Rate (currently 2.03% interest per annum). The loan is repayable in equal instalments over 10 years starting October 17, 2012. The German loan is made under the following conditions:
 - The loans are secured on the Rainbow Warrior III.
 - The ship may only be used for purposes consistent with Greenpeace Germany's charitable status.
- Greenpeace United States: denominated in USD and bearing interest at the US prime rate. The loan is repayable in equal annual instalments over 10 years starting October 17, 2012. Additional to the agreed repayment of USD 300k in October 2012 an early repayment of USD 1,421k was made in December 2012.
- Greenpeace United Kingdom: denominated in GBP and bearing interest at 0% per annum. The loan is repayable in equal annual instalments over 10 years starting October 17, 2012.

Arctic Sunrise Loan

- The loan from Greenpeace Germany agreed in 2016, to finance the refurbishment of the Arctic Sunrise, is denominated in EUR and bearing interest of 1.5% per annum over the Euro Interbank Offered Rate. The loan is repayable in equal instalments over 10 years (yearly 625k) starting December 2017. The German loan is made under the following conditions:
 - The loan is secured with a guarantee from Stichting Theseus for the full amount of EUR 6,250K.
 - The ship may only be used for purposes consistent with Greenpeace Germany's charitable status.

13 CURRENT LIABILITIES

(all amounts in EUR 000s)	2017	2016
Accounts payable	1.335	1.351
Accrued liabilities	797	454
Tax and social security	678	596
Employees	1.570	1.193
	<u>4.380</u>	<u>3.594</u>

The current liabilities include no amounts with a residual term of more than one year (2016: nil).

Tax and social security contributions

(all amounts in EUR 000s)	2017	2016
Wage tax and social security contributions	374	337
Value added tax	304	259
	<u>678</u>	<u>596</u>

14. OFF BALANCE SHEET ASSETS AND LIABILITIES

Long-term unconditional commitments have been entered into in respect of long-term leases and operating leases (including building rent, office machinery and mobile telephone rent).

The operating leasing costs are recognised on a straight-line basis in the Statement of Income and Expenditure over the lease period. The remaining term can be specified as follows:

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(all amounts in EUR 000s)	2017	2016
Not later than one year	307	381
Later than one year but not later than 5 years	1.105	639
Later than five years	106	-
	<u>1.518</u>	<u>1.020</u>

Commitments represent rent on office space at current values and the lease of office equipment.

1. The lease of the building expires officially on 30 June 2023. For the 2016 Financial Statements it was thought likely that due to developments from the landlord that the lease would end before the expiry date of the contract and this expected earlier expiry was reflected in the 2016 Financial Statements. In 2017 the early expiration looks unlikely and we are reflecting the rental liabilities until the end of the contract. The office equipment lease expires on 30 June 2019
2. The mobile phone contract expires in February 2019.

Lease payments that have been recognised as an expense in 2017, amount to EUR 324K (2016: EUR 374K)

Consolidated Financial Statements**Notes to the Consolidated Statement of Income and Expenditure****15. CONTRIBUTIONS FROM GREENPEACE ORGANISATIONS**

(all amounts in EUR 000s)	2017	2016
Greenpeace Argentina	1.554	1.287
Greenpeace Australia Pacific	3.876	3.917
Greenpeace Belgium	1.968	2.462
Greenpeace Brazil	-	100
Greenpeace Canada	1.840	1.694
Greenpeace Central and Eastern Europe	2.362	2.510
Greenpeace Czech Republic	39	33
Greenpeace East Asia	-	340
Greenpeace France	5.182	4.962
Greenpeace Germany	22.253	20.003
Greenpeace Greece	65	40
Greenpeace Italy	1.815	1.544
Greenpeace Japan	4	14
Greenpeace Luxembourg	89	94
Greenpeace Mediterranean	1.057	901
Greenpeace Mexico	343	356
Greenpeace Netherlands	7.247	8.606
Greenpeace New Zealand	1.419	1.402
Greenpeace Nordic	6.531	5.439
Greenpeace Spain	2.724	2.471
Greenpeace Switzerland	7.675	8.202
Greenpeace United Kingdom	6.052	5.492
Greenpeace United States	7.163	5.597
	<u>81.258</u>	<u>77.469</u>

16. OTHER INCOME

(all amounts in EUR 000s)	2017	2016
Major donors	736	1.655
Other income	557	276
Videos	9	8
	<u>1.302</u>	<u>1.939</u>

Consolidated Financial Statements**17. SUPPORT TO GREENPEACE ORGANISATIONS**

(all amounts in EUR 000s)	<u>2017</u>	<u>2016</u>
Greenpeace Africa	4.731	3.193
Greenpeace Argentina	122	235
Greenpeace Australia Pacific	35	188
Greenpeace Belgium	15	-
Greenpeace Brazil	5.456	5.196
Greenpeace Canada	967	700
Greenpeace Central and Eastern Europe	572	756
Greenpeace Chile	39	-
Greenpeace East Asia	5.878	7.333
Greenpeace France	270	169
Greenpeace Germany	55	104
Greenpeace Greece	289	51
Greenpeace India	416	1.555
Greenpeace Italy	17	30
Greenpeace Japan	968	1.053
Greenpeace Mediterranean	841	2.395
Greenpeace Mexico	104	482
Greenpeace Netherlands	75	27
Greenpeace New Zealand	190	116
Greenpeace Nordic	741	531
Greenpeace Russia	2.825	2.268
Greenpeace Spain	-	20
Greenpeace South East Asia	5.510	4.919
Greenpeace United Kingdom	406	429
Greenpeace United States	2.662	2.992
	<u>33.184</u>	<u>34.742</u>

The grants can be split in the following categories:

Block grants and restricted contributions to NROs	27.196	28.669
Restricted grants	<u>5.988</u>	<u>6.073</u>
	<u>33.184</u>	<u>34.742</u>

'Block grants and restricted contributions to NROs' relates to the annually agreed contributions granted from the Organisation to the National and Regional Organisations. These grants are known in advance of the year to which they relate. The 'Restricted grants' are grants agreed with the National and Regional Organisations during the course of the year and given specifically for locally run campaigns that aim to achieve global priorities; also known as 'Enabling grants.'

Consolidated Financial Statements**18. CAMPAIGN SUPPORT**

Campaign Support costs consist of:

(all amounts in EUR 000s)	<u>2017</u>	<u>2016</u>
Marine Operations	11.091	9.499
Action Support	1.283	1.354
Communications and Media	2.504	2.321
Other	-	370
	<u>14.878</u>	<u>13.544</u>

Marine operations costs can be split as follows: Esperanza EUR 2.6M (2016: EUR 2.5M), Arctic Sunrise EUR 1.5M (2016: EUR 1.8M), Rainbow Warrior III EUR 2.1M (2016: EUR 1.9M), Support costs EUR 4.8M (2016: EUR 3.3M).

19. ORGANISATIONAL SUPPORT

Organisational Support consists of:

(all amounts in EUR 000s)	<u>2017</u>	<u>2016</u>
Information Technology	3.097	2.738
Human Resources and Training	3.822	3.885
Finance	3.784	2.478
Executive Directors' Office & Governance	1.336	1.672
Organisational Direction	-	613
Development	1.072	823
Strategic Initiatives	-	2.423
Performance, Accountability & Learning	570	423
Property Costs	740	878
	<u>14.421</u>	<u>15.933</u>

Finance costs in 2017 include an allowance against loans and receivables totalling EUR 1.4 M (2016: nil).

20. STAFF EXPENSES

(all amounts in EUR 000s)	2017	2016
Salaries	11.407	11.543
Social Security	1.417	1.341
Pension	464	618
Redundancy	653	731
Other staff costs	992	921
	<u>14.932</u>	<u>15.154</u>
NRO charges	10.143	9.733
Temporary agencies	195	274
	<u>25.271</u>	<u>25.161</u>

Consolidated Financial Statements

The organisation employed an average of 610 employees during 2017 (2016: 343) as shown below:

	2017	2016
GPI Amsterdam	139	140
Direct Dialogues Initiatives India	236	-
NRO - based on MOUs	135	117
Marine	<u>100</u>	<u>86</u>
	<u>610</u>	<u>343</u>

During the 2017 financial year, the average number of staff employed in the organisation, converted into full-time equivalents, amounted to 610 people (2016: 343), of which 371 (2016: 117) were employed outside the Netherlands.

The pension costs are related to the organisation's defined contribution pension plan.

International employees

The costs and numbers of staff members in a GPI role who are on an employment contract with a Greenpeace National & Regional Organisation are included in the above disclosure on 'NRO charges'.

21. DEPRECIATION

The Consolidated Statement of Income and Expenses contains the following depreciation charges:

(all amounts in EUR 000s)	2017	2016
Ships	2.444	2.079
Decommissioning	53	610
Other	<u>493</u>	<u>360</u>
	2.990	3.049

Depreciation is included in the campaign support costs, refer to Note 18 Campaign Support.

22. FINANCIAL RESULT

The financial result can be shown as follows:

STICHTING GREENPEACE COUNCIL

Consolidated Financial Statements

(all amounts in EUR 000s)	<u>2017</u>	<u>2016</u>
Income		
Interest from NROs	22	33
Unwinding amortised costs	111	147
Foreign exchange		
- Unrealised	300	-
- Realised	<u>2</u>	<u>0</u>
	435	180
Expenses		
Unwinding amortised costs	47	-
Deferred Tax	4	-
Interest on loans	227	127
Foreign exchange		
- Unrealised	1.319	1.157
- Realised	<u>574</u>	<u>855</u>
	2.171	2.139
Financial result (loss)/gain	<u>(1.736)</u>	<u>(1.959)</u>

23. CASH FLOW STATEMENT

In some cases the movements in balance sheet items as presented in the cash flow statement differ from the changes between the balance sheets at the beginning and the end of the period because of reclassifications in the comparison figures (Balance sheet and Statement of Income and Expenditure).

Loans granted or received from National and Regional Organisations, together with repayments and interest, are not always transacted on a cash basis, but may be accounted for via the Inter-office accounts. Movements in lines involving loans with National and Regional Organisations will therefore not always be directly traceable to the disclosure notes in the Financial Statements.

24. TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties are assumed when a relationship exists between the organisation and a natural person or entity that is affiliated with the organisation. This includes, amongst others, the relationship between the organisation and its subsidiaries, executive and non-executive board and key management personnel.

Transactions are transfers of resources, services or obligations, regardless whether anything has been charged.

The Board Remuneration and Compensation for the Managing Directors, Supervisory Directors and Board of the Stichting is disclosed in Note 25. Board Remuneration and Compensation.

The Organisation has transactions with the National and Regional Organisations both in the giving and receiving of grants and in giving and receiving loans. Refer to Notes 15. Contributions from Greenpeace Organisations, 17. Support to Greenpeace Organisations, Note 6. Financial Fixed Assets, Note 7. Due from and to Greenpeace Organisations and Note 12. Long term liabilities.

25. BOARD REMUNERATION and COMPENSATION

The remuneration for the year 2017 of the Managing (International Executive) Directors and the compensation for Supervisory Directors (Non- Executive Board) is in the table below:

STICHTING GREENPEACE COUNCIL**Consolidated Financial Statements**

(all amounts in EUR 000s)

	Remuneration & Compensation	Social security	Pension	Total	Period
Executive Directors (Full Time)					
Bunny McDiarmid	162	10	1	173	Apr 2016 - present
Jennifer Morgan	162	10	11	183	Mar 2016 - present
	<u>427</u>	<u>31</u>	<u>19</u>	<u>476</u>	
Non-Executive Board					
Ana Toni	10	0	-	10	Apr 2011 - Mar 2017
Aysha Imam (New Chair)	36	1	-	36	Apr 2017 - present
Ed Harrington	10	-	-	10	Nov 2012 - present
Thuli Makama	7	1	-	8	May 2013 - present
Athena Ronquillo-Ballesteros	5	0	-	6	May 2014 - present
Michael Hammer	16	-	-	16	Nov 2014 - present
Ravi Rajan	8	0	-	9	Jun 2015 - present
Anabella Rosemberg	10	-	-	10	Mar 2016 - Apr 2018
	<u>101</u>	<u>3</u>	<u>-</u>	<u>104</u>	
Expense compensation board related parties					
	Iris	Phoenix	Theseus&Rubicon	Total	
B.J. van Spaendonck	1	1	2	4	
G.J.G. Bolderman	1	1	2	4	
				<u>7</u>	

26. AUDITORS FEES

The following fees were charged by KPMG Accountants N.V. to the organisation, its subsidiaries and other consolidated companies, as referred to in Section 2.382a(1) and (2) of the Dutch Civil Code: In 2017 EUR 139K including EUR 61K for the year 2016 (2016: EUR 174K). All fees relate to the audit of the financial statements. The fees taken in the year to which the financial statements relate, irrespective of the year the work was performed, unless otherwise specified.

27. SUBSEQUENT EVENTS

No subsequent events have been identified.

28. APPROPRIATION OF RESULT

The Board has approved the allocation of the result of EUR 43K (positive) to the fund balance as already shown in the consolidated balance sheet and the notes (note 10: Fund balance analysis).

STICHTING GREENPEACE COUNCIL

FINANCIAL STATEMENTS

2017

STICHTING GREENPEACE COUNCIL

Stichting Greenpeace Council Financial Statements

Balance Sheet as at 31 December 2017
(After result appropriation)

(all amounts in EUR 000s)	Note	<u>2017</u>	<u>2016</u>
ASSETS			
Fixed Assets			
Tangible Fixed Assets	32	755	999
Financial Fixed Assets	33	<u>3.989</u>	<u>3.233</u>
Total Fixed Assets		4.744	4.232
Current Assets			
Due from Greenpeace Organisations	7	9.731	14.808
Due from related parties	34	33.303	15.942
Loans	6	1.277	1.333
Other Assets and Prepayments	35	1.535	2.037
Cash and cash equivalents	36	8.036	<u>4.750</u>
Total current assets		53.882	38.870
Total Assets		<u><u>58.626</u></u>	<u><u>43.102</u></u>
FUND AND LIABILITIES			
Fund balance	37	27.405	27.565
Provisions	38	625	2.281
Long term liabilities	39	2.165	2.891
Current liabilities			
Accounts payable to vendors		1.220	1.115
Due to Greenpeace Organisations	7	6.088	5.933
Due to related parties	34	17.409	
Loans	12	722	1.082
Tax and social security		1.025	595
Other liabilities and accruals		<u>1.967</u>	<u>1.640</u>
Total current liabilities		28.431	10.365
Total Fund Balance and Liabilities		<u><u>58.626</u></u>	<u><u>43.102</u></u>

STICHTING GREENPEACE COUNCIL**Stichting Greenpeace Council Financial Statements**

Statement of Income and Expenditure 2017

(all amounts in EUR 000s)	Note	<u>2017</u>	<u>2016</u>
Surplus before Share of Result in Participating interests and Financial Result		2.555	(863)
Share of Result in Participating Interests		(1.128)	28
Financial Result	41	(1.587)	(1.572)
Surplus/(Deficit) after Share of Result in Participating interests and Financial Result		<u> </u>	<u> </u>
Surplus/(Deficit) after Share of Result in Participating interests and Financial Result		<u>(160)</u>	<u>(2.407)</u>

STICHTING GREENPEACE COUNCIL**Stichting Greenpeace Council Financial Statements**

Notes to the Financial Statements**29. GENERAL**

The separate Financial Statements are part of the 2017 statutory Financial Statements of Stichting Greenpeace Council. The financial information of the organization is included in the organization's consolidated financial statements.

In so far as no further explanation is provided, please refer to the notes in the Consolidated Balance Sheet and Statement of Income and Expenditure.

30. ACCOUNTING POLICIES

The Financial Statements of Stichting Greenpeace Council have been prepared under Accounting Standards as described in Part 9 of Book 2 of the Dutch Civil Code. The Statement of Income and Expenditure has been drawn up using the exemption of 402 of part 9, book 2 of the Dutch Civil Code. The separate financial statements do not include the financial information of Stichting Phoenix, Stichting Rubicon, Stichting Iris and Stichting Theseus. These are related entities over which Stichting Greenpeace Council has the power to govern the financial and operating policies and which for accounting purposes are considered part of the organisation, but these entities are not legally owned by Stichting Greenpeace Council. Stichting Greenpeace Council owns 100% of the shares of Greenpeace Licensing B.V. and 99.9% of the shares of Direct Dialogues Initiatives India.

Participating interests in group companies

Participating interests in group companies are accounted for in the separate financial statements according to the equity accounting method on the basis of net asset value. For details we refer to the accounting policy for financial fixed assets in the consolidated financial statements.

Share of result of participating interests

This item concerns the Company's share of the profit or loss of these participating interests. Results on transactions involving the transfer of assets and liabilities between the Company and its participating interests and mutually between participating interests themselves, are eliminated to the extent that they can be considered as not realized.

31. FINANCIAL RISK

Refer to Note 4. Financial Risk of the Consolidated Financial Statements.

Stichting Greenpeace Council has not undertaken any specific financial instrument such as hedging in 2017 and there are no contracts outstanding at the end of 2017.

Inter-group balances with related parties are settled periodically in line with each entity's financing needs. No settlement was required during 2017. The directors of all entities undertake a periodic review of these requirements

STICHTING GREENPEACE COUNCIL**Stichting Greenpeace Council Financial Statements**

32. TANGIBLE FIXED ASSETS

Movements in tangible fixed assets were as follows:

(all amounts in EUR 000s)	Leasehold Improvements	Equipment, Fixtures and Fittings	Total
Purchase Cost	267	10.275	10.541
Accumulated Depreciation	(7)	(9.535)	(9.542)
Bookvalue as per 31 December 2016	<u>259</u>	<u>740</u>	<u>999</u>
Changes in carrying amount:			
Investments	-	230	230
Disposals	-	5	5
Depreciation	(86)	(393)	(480)
Bookvalue as per 31 December 2017	<u>173</u>	<u>582</u>	<u>755</u>
Purchase Cost	267	5.391	5.658
Accumulated Depreciation	(94)	(4.809)	(4.903)
Bookvalue as per 31 December 2017	<u>173</u>	<u>582</u>	<u>755</u>

33. FINANCIAL FIXED ASSETS

The Financial Fixed Assets contains loans given to Greenpeace organisations and investments in subsidiaries and associates. Further details including the movement schedules are shown below.

STICHTING GREENPEACE COUNCIL

Stichting Greenpeace Council Financial Statements

Loans

(all amounts in EUR 000s)		<u>2017</u>	<u>2016</u>
Fundraising Investment Fund	Loan Currency Interest %		
Greenpeace Argentina	ARS 0,25%	91	-
Greenpeace Africa	ZAR 0,30%	98	232
Greenpeace Brazil	BRL 0,30%	445	509
Greenpeace Canada	CAD 0.30 - 0.40%	166	486
Greenpeace Central and Eastern Europe (Poland)	PLN 1,00%	-	301
Greenpeace Chile (Greenpeace Andino)	CLP 0,30%	158	137
Greenpeace Colombia FIF Loan	COP 0,25%	194	-
Greenpeace East Asia	CNY 0.3% - 0.75%	1.885	1.976
Greenpeace Greece	EUR 0.3%-0.75%	240	223
Greenpeace Japan	JPY 0,30%	-	35
Greenpeace Mediterranean	EUR 1.50-2.00%	-	150
Greenpeace Mexico	MXN 0,30%	275	13
Greenpeace Nordic	SEK 0,75%	-	-
Greenpeace US	USD 0,30%	802	285
		<u>4.354</u>	<u>4.346</u>
Provision for doubtful debts		(138)	-
		<u>4.216</u>	<u>4.346</u>
Loans Total		<u>4.216</u>	<u>4.346</u>
Current Loans		1.415	1.333
Non-current		2.939	3.013
		<u>4.354</u>	<u>4.346</u>
Allowance against loans and receivables		(138)	-
		<u>4.216</u>	<u>4.346</u>
At 1 January		4.346	4.244
New loans and additions		1.826	1.830
Interest		20	28
Repayments		(1.569)	(1.285)
Translation differences		(269)	(104)
Unwinding amortised costs		-	-
Impairments		-	(366)
At 31 December		<u>4.354</u>	<u>4.346</u>
Allowance against loans and receivables		(138)	0
		<u>4.216</u>	<u>4.346</u>

Investments and Associates

(all amounts in EUR 000s)	<u>Via-Ex</u>	<u>Greenpeace Licensing BV</u>	<u>Direct Dialogues Initiatives India Pvt</u>	<u>Total</u>
Value as at 31 December 2016	35	46	139	220
Investments			1.957	1.957
Result	11	(23)	(1.116)	(1.128)
Adjustments				
Value at 31 December 2017	<u>46</u>	<u>23</u>	<u>981</u>	<u>1.050</u>
Participation percentage at 31 December 2016	25,6%	100%	99,0%	
Participation percentage at 31 December 2017	25,6%	100%	99,9%	
Country	Belgium	Netherlands	India	
Place	Brussels	Amsterdam	Bangalore	

STICHTING GREENPEACE COUNCIL**Stichting Greenpeace Council Financial Statements**

34. DUE FROM and TO RELATED PARTIES

(all amounts in EUR 000s)

	<u>2017</u>	<u>2016</u>
Stichting Iris	12.423	14.164
Stichting Rubicon	66	65
Stichting Theseus	20.666	20.752
Greenpeace Licensing B.V.	148	115
	<u>33.303</u>	<u>35.096</u>

Due to other GPI entities:

	<u>2017</u>	<u>2016</u>
Stichting Phoenix	17.409	19.154
	<u>17.409</u>	<u>19.154</u>

Inter-group balances with related parties are settled periodically in line with each entity's financing needs. No settlement was required during 2017.

In the receivables from related parties, an amount of EUR 33.3 million (2016: EUR 35.1 million) is included with a maturity longer than 1 year. All other receivables have an estimated maturity shorter than one year.

In the payables to related parties, an amount of EUR 17.4 million (2016: EUR 19.1 million) is included with a maturity longer than 1 year. All other payables have an estimated maturity shorter than one year.

No interest is charged on inter-group balances (2016: NIL)

35. OTHER ASSETS AND PREPAYMENTS

(all amounts in EUR 000s)

	<u>2017</u>	<u>2016</u>
Prepayments	634	673
Other receivables	901	1.634
	<u>1.535</u>	<u>2.307</u>

In the other assets and prepayments all receivables have an estimated maturity shorter than one year.

36. CASH AND CASH EQUIVALENTS

(all amounts in EUR 000s)

	<u>2017</u>	<u>2016</u>
Deposits	159	159
Credit balances on bank accounts	7.877	4.591
	<u>8.036</u>	<u>4.750</u>

STICHTING GREENPEACE COUNCIL**Stichting Greenpeace Council Financial Statements**

The bank current accounts includes a bank guarantee of EUR 85K (2016: EUR 85K) in respect of the organisation's rental lease for the Amsterdam premises. There is another guarantee of INR 2 million (EUR 26K) in respect of a legal guarantee for Greenpeace India.

Deposits included under cash and cash equivalents only represent deposits that are available on demand

37. FUND BALANCE ANALYSIS

Greenpeace International's reserves policy calls for sufficient available reserves to cover for contingent liabilities and other risks related to its operations. In this context, available reserves equal the fund balance less allocation for fixed assets and less designated reserves held for future commitments. These commitments, liabilities and risks are assessed annually. The available reserves level is calculated as follows:

(all amounts in EUR 000s)

	General Reserves	Earmarked Reserves			Total
(all amounts in EUR 000s)	Free available	Decommissioning RWII	Tangible Fixed Assets	Foreign Exchange Risk	
Balance at 31 December 2016	23.757	300	999	2.509	27.565
Result over the year	(160)	-	-	-	(160)
Movement	328	-	(244)	(84)	-
Balance at 31 December 2017	23.925	300	755	2.425	27.405

Refer to Note 10. Fund Balance Analysis in the Consolidated Financial Statements for narrative details of the earmarked reserves for Decommissioning RWII and Foreign Exchange Risk.

STICHTING GREENPEACE COUNCIL**Stichting Greenpeace Council Financial Statements**

Reconciliation of Fund balance and Net Surplus/(deficit) in the Consolidated Financial Statements and the Separate Financial Statements

The difference between the fund balance and the Net Surplus/(deficit) of the Consolidated Financial Statements and Stichting Greenpeace Council lies in the fund balance and results of Stichting Phoenix, Stichting Iris and Stichting Theseus.

(all amounts in EUR 000s)	Fund Balance	Net surplus/(deficit)
Stichting Greenpeace Council	27.405	(160)
Stichting Phoenix	528	150
Stichting Iris	324	360
Stichting Theseus	8.701	(307)
Per Consolidated Financial Statements	36.958	43

APPROPRIATION OF RESULT

The Board has approved the proposed allocation of the net loss result of EUR 160K to the fund balance as shown in the Balance Sheet and the notes (note 36 Fund Balance Analysis).

38. PROVISIONS

(all amounts in EUR 000s)	Legal	Restructuring	Total
Balance at 1 January 2017	1.165	1.116	2.281
Provisions made during the year	-	158	158
Provisions used during the year	(60)	(607)	(667)
Provisions reversed during the year	(775)	(372)	(1.147)
Balance at 31 December 2017	<u>330</u>	<u>295</u>	<u>625</u>

For narrative details regarding the provisions, refer to Note 11 Provisions in the Consolidated Financial Statements.

STICHTING GREENPEACE COUNCIL**Stichting Greenpeace Council Financial Statements**

39. LONG TERM LIABILITIES**Loans due to Greenpeace National and Regional Organisations**

(all amounts in EUR 000s)	Loan Currency	2017	2016
Rainbow Warrior III Loans			
Greenpeace Germany	EUR	2.797	3.498
Greenpeace United Kingdom	GBP	90	118
Greenpeace US	USD		360
Total Loans		2.887	3.976
Current loans		722	1.083
Non-current loans			
Due to National and Regional Organisations > 5 years		-	-
Due to National and Regional Organisations >1-5 years		2.165	2.893
Total Non-current Loans		2.165	2.893
Total Loans		2.887	3.976

The terms and conditions of the Rainbow Warrior III Loans are described in Note 12. Long Term Liabilities of the Consolidated Financial Statements.

40. OFF BALANCE SHEET ASSETS AND LIABILITIES

Please refer to Note 14. Off Balance Sheet Liabilities in the Consolidated Financial Statements.

41. FINANCIAL RESULT

The financial result can be shown as follows:

(all amounts in EUR 000s)	2017	2016
Income		
Interest from NRO loans	20	33
Expenses		
Interest on loans	136	87
Revaluation NRO Loans	-	201
Foreign exchange		
- Unrealised	898	617
- Realised	573	700
	1607	1605
Financial result (loss)/gain	(1.587)	(1.572)

42. TRANSACTIONS WITH RELATED PARTIES

Refer to Note 24. Transactions with Related Parties in the Consolidated Financial Statements.

43. SUBSEQUENT EVENTS

No subsequent events have been identified.

STICHTING GREENPEACE COUNCIL

Stichting Greenpeace Council Financial Statements

Amsterdam, 3 September 2018

International Executive Directors:

J.L. Morgan  04-Oct-18
AE9D5BBF228C41D...

A.M. McDiarmid  03-Oct-18
39A551D8C9D041A...

Board:

A.M. Imam (chair)  04-Oct-18
21A0C92184E0452...

E.M. Harrington  05-Oct-18
C97E83C49CE14EB...

T.B. Makama

M.A. Ronquillo – Ballesteros

M.A. Hammer  08-Oct-18
37DE3F4662294DB...

S.R. Rajan

Other Information

Independent auditor's report

To: the Supervisory Board and the International Executive Directors of Stichting Greenpeace Council

Report on the accompanying financial statements

Our opinion

We have audited the financial statements 2017 of Stichting Greenpeace Council, based in Amsterdam. The financial statements include the consolidated financial statements and the company financial statements.

In our opinion:

- the accompanying consolidated financial statements give a true and fair view of the financial position of Stichting Greenpeace Council as at 31 December 2017 and of its result and its cash flows for 2017 in accordance with International Financial Reporting Standards for Small and Medium-sized Entities and with Part 9 of Book 2 of the Dutch Civil Code;
- the accompanying company financial statements give a true and fair view of the financial position of Stichting Greenpeace Council as at 31 December 2017 and of its result 2017 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:

- 1 the consolidated balance sheet as at 31 December 2017;
- 2 the following consolidated statements 2017: the statement of income and expenditure, the statements of comprehensive income, changes in equity and cash flows; and
- 3 the notes to the consolidated financial statements comprising a summary of the significant accounting policies and other explanatory information.

The company financial statements comprise:

- 1 the company balance sheet as at 31 December 2017;
- 2 the company statement of income and expenditure 2017; and
- 3 the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Stichting Greenpeace Council in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- the Report of the Management Board, including the Report of the Supervisory Board;
- other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

Other Information

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

The International Executive Directors are responsible for the preparation of the other information, including the Report of the Management Board, in accordance with Part 9 of Book 2 of the Dutch Civil Code, and other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

Description of the responsibilities for the financial statements

Responsibilities of the International Executive Directors and the Supervisory Board for the financial statements

The International Executive Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards for Small and Medium-sized Entities and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the International Executive Directors are responsible for such internal control as the International Executive Directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to errors or fraud.

As part of the preparation of the financial statements, the International Executive Directors are responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the International Executive Directors should prepare the financial statements using the going concern basis of accounting unless the International Executive Directors either intend to liquidate the company or to cease operations, or has no realistic alternative but to do so. The International Executive Directors should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material errors and fraud during our audit.

Misstatements can arise from fraud or errors 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 the financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

Other Information

A further description of our responsibilities for the audit of the financial statements is located at the website of the 'Koninklijke Nederlandse Beroepsorganisatie van Accountants' (NBA, Royal Netherlands Institute of Chartered Accountants) at: http://www.nba.nl/ENG_algemeen_01
This description forms part of our independent auditor's report.

Amstelveen, 3 September 2018

KPMG Accountants N.V.

E. Breijer RA