

STICHTING GREENPEACE COUNCIL

AND RELATED ENTITIES

ANNUAL STATEMENTS

2016

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General Information

Greenpeace is a global campaigning network of independent organisations that acts 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.

Stichting Greenpeace Council (SGC), a foundation ("*Stichting*") registered and based in the Netherlands, is also known as Greenpeace International (GPI).

The SGC Board hereby presents the financial statements of GPI, along with five related entities, for the year ended 31 December 2016.

Governance

GPI is governed by a Board, elected by Trustees, with each NRO appointing one Trustee. Greenpeace International is managed by the International Executive Directors (IED) and a Management Team consisting of key department and divisional directors.

These financial statements refer to Stichting Greenpeace Council and its related entities only (together: GPI). It does not include the independent national/regional Greenpeace organisations. A report on the achievements and performance of the Greenpeace network, the Global Annual Report, is published separately.

Greenpeace is independent from political and corporate interests. Our 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.

Internal organisation and staffing level

GPI monitors the organisational development of 26 independent Greenpeace organisations (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 resolve global environmental problems.

In 2016 GPI continued the implementation of major changes in distributing the management and control of campaigns 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 campaigns in defence of the planet across countries, continents and oceans.

Significant Risks and Uncertainties

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

1) 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 fulfill its role to act as a conduit for redistributing Greenpeace resources to NROs according to global Greenpeace priorities; as well as coordinating the process of establishing the long-term organisational development plans for all NROs.

The main risk 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 this risk and release funds GPI is required to produce funding agreements that show how tied funds are matched to our expenditure. This mitigates the risk that funds will not be received or will be received late.

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2) Tax Risks

Considering that the organisation is not subject to Dutch Corporation Tax, the organisation has not provided for tax on surpluses that arose in previous years. The organisation's main tax risk concerns Value Added Tax. The tax authorities consider that although the organisation is a VAT taxable entity, its activities are generally not relevant for VAT purposes. Our main risk is that we do not have a definitive ruling on our tax status (taxable activities) and we are working with our tax advisers to clarify this.

3) Foreign Exchange

As the inflow and outflow are dominated by different currencies the organization has a foreign exchange risk. The FX-impact in the annual statements for 2016 was almost EUR 1.5M. To mitigate the risk a designated reserve in the fund balance is created. This reserve is based on the potential risk for the operations in the following budget year.

Financial Information

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

The financial position of GPI remains strong with combined fund balances of EUR 36,915K (2015 EUR 38,605K) with a free available fund of EUR 10,489K. The solvency of GPI is shown in the table below:

(all amounts in EUR 000s)		<u>2016</u>		<u>2015</u>	
Fund balance	EUR	36,915	61.3%	EUR	38,605 65.2%
Total balance	EUR	60,241		EUR	59,245

Due to changes in the fund balance the general reserves decreased in 2016 from 16,547K to 10,489K (28% of the fund balance).

The net result for 2016 is a deficit of EUR 1,690K (2015: EUR 6,808K surplus), a decrease of EUR 8,498K.

The decrease of the net result 2016 compared to the result in 2015 can be analysed as follows:

Income:

- Less contribution		4,697
- Less other income (major donors)		<u>340</u>
Total decrease in income (4.7% compared to 2015)		5,037

Higher operational expenses:

- Support to Greenpeace organisations		4,146
- Depreciation and amortisation		<u>1,566</u>
		5,712

Lower operational expenses:

- Staff expenses	746	
- Other operational expenses	<u>3,575</u>	
		<u>4,321</u>

Decrease in operational result 6,428

Increased financial expenses 2,071

Decrease of the net result in 2016 8,498

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The net result of 2016 (EUR 1,690K deficit) contains one-off adjustments. The impact in the result can be shown as follows:

(all amounts in EUR 000s)	Operational result	Financial result	Net result
Statement of Income and Expenditure Income/(Deficit)	262	(1,952)	(1,690)
Special one-off items			
Decommissioning provision release	(1,582)		(1,582)
Decommissioning depreciation	609		609
Revaluation other loans	_____	_____ 320	_____ 320
Result 2016 without special one-off items	<u>(711)</u>	<u>(1,632)</u>	<u>(2,343)</u>

In 2016 it was decided to calculate the decommissioning provision of the Ship according to the 2016 EU Directive for the dismantling and recycling of waste. At the same time a new calculation was made of the future costs of dismantling for the ships. Based upon the adjusted calculations this resulted in a release of the provision and an increase in the depreciation.

Long term financial assets and liabilities have to be stated after initial recognition at amortised cost. However, until 2015 these assets and liabilities were actually valued at fair value. In 2016 the financial assets and liabilities were adjusted to amortised costs or nominal value, which resulted in the revaluation of Other Loans

Grants and other support to National and Regional Organisations of EUR 34,742K (2015 EUR 30,595K) increased mainly due to the increased support for National and Regional Organisations undertaking key environmental campaigns. As these grants are denominated in local currency the increase was also partly due to the weakening of the Euro.

In 2016 a foreign exchange result of EUR 1,492K (loss) is part of the financial result (2015: 169K loss). This loss is for 42% due to the revaluation of balances at year end and 58% caused by the volatility of the Euro versus the non – Euro currencies. This volatility in 2016 was mainly shown in certain periods of the year (for instance: Brexit). In both 2016 and 2015 no foreign exchange contracts were in place.

Liquidity and Cash Flow

The cash position has decreased by EUR 7,580 from EUR 19,790K to EUR 12,210K. 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.

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The working capital can be shown as follows:

(all amounts in EUR 000s)	<u>2016</u>		<u>2015</u>		<u>Movement</u>
Current assets					
Bank and cash in hand	12,210	77.9%	19,790	86.5%	(7,580)
Other current assets	* 3,471	22.1%	3,086	13.5%	385
	15,681		22,876		(7,195)
Current liabilities	* 5,301	33.8%	6,158	26.9%	857
Net working capital	<u>10,380</u>	66.2%	<u>16,718</u>	73.1%	<u>(6,338)</u>

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

Net position with Greenpeace organisations

Due from	14,808	8,513	6,295
Due to	<u>5,933</u>	<u>6,005</u>	<u>(72)</u>
	<u>8,875</u>	<u>2,508</u>	<u>6,223</u>

The total decrease of the Net working capital during 2016 (6,338K) is mainly caused by the decrease in the amount available in Bank and cash in hand. This decrease in the bank position can be explained by the increase in the 'net position with Greenpeace organisations' (as shown in the table above: 6,223K). The increase of the net position with Greenpeace organisations is caused by specific country regulations and legislation to transfer the contribution to GPI. GPI monitors its cash position by using successive monthly 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.

Budget ceiling

The Trustees approve the annual budget ceiling for the cash movement / expenditure in the year. For 2016 the budget ceiling (budget, excluding European Unit) and the actuals are shown in the following table:

	<u>Budget</u>	<u>Actuals</u>
Total expenditure	80,054	77,756
Other cash outflows		
Repayment AS loan	1,108	1,290
Capital expenditure	8,075	4,908
less: depreciation	(1,516)	(3,049)
provisions	-	1,061
Med write off	-	(366)
FIF loans	<u>2,500</u>	<u>1,830</u>
	<u>10,167</u>	<u>5,674</u>
Expenditure ceiling	<u>90,219</u>	<u>83,430</u>

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The difference between the budget and the actuals is mainly due to the timing of the capital expenditure. The refurbishment of the Arctic Sunrise was included in the 2016 budget. Due to a planned necessary delay of the refurbishment, the capital expenditure budget wasn't fully used in 2016. The refurbishment was completed in June 2017.

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 our 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 to support NROs in doing so as well.

GPI employed an average of 235 employees in 2016 (2015: 258) excluding the ships' crew. This decline was primarily due to the implementation of the operating model which entailed that certain positions were removed at GPI, with some positions being distributed to NROs.

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.

On a quarterly basis the foreign exchange risk is calculated on a 12 month rolling forecast. The outcome of the calculation, Budget at Risk, 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 2,509K. This amount is a restricted reserve in the fund balance.

No derivative contracts were entered into during 2016 and none were in place at the start of 2017.

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.

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Other Information

GPI has an Internal Audit function which monitors the compliance of GPI and - upon NRO request - also audits the NRO compliance.

According to article 397 of Book 2 Civil Code the Board (combined executive and non-executive) of GPI has a balanced male / female ratio: at least 30% of the members of the non-executive Board and the Executive Directors is female / male. This balance is also reflected at the management level of GPI.

Outlook

As mentioned under Significant Risks and Responsibilities, GPI is financed primarily by contributions from 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 2020. 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.

GPI invests in the future of our 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.

Report of the Board of Directors 2016

Amsterdam, 24 November 2017

International Executive Directors

Board

J.L. Morgan

A.M. Imam (chair)

A.M. McDiarmid

E.M. Harrington

International Finance Director

T.B. Makama

C.P. Fyfe

M.A. Ronquillo – Ballesteros

M.A. Hammer

S.R. Rajan

A.E. Rosemberg

CONSOLIDATED FINANCIAL STATEMENTS

2016

Financial Statements

Consolidated Balance Sheet as at 31 December 2016, including appropriation of the result

(all amounts in EUR 000s)	Note	2016	2015
ASSETS			
Fixed Assets			
Tangible Fixed Assets	5	23,618	21,758
Financial Fixed Assets	6	6,135	6,098
Total Fixed Assets		29,753	27,856
Current Assets			
Due from Greenpeace Organisations	7	14,808	8,513
Loans	6	1,333	1,595
Other Assets and Prepayments	8	2,138	1,491
		18,279	11,599
Bank and cash in hand	9	12,210	19,790
Total current assets		30,489	31,389
Total Balance		60,242	59,245
FUND AND LIABILITIES			
Fund balance	10	36,915	38,605
Provisions	11	3,573	4,634
Long term liabilities	12	8,519	3,843
Current liabilities			
Accounts payable to vendors	13	1,351	1,760
Due to Greenpeace Organisations	7	5,933	6,005
Loans	12	1,707	1,218
Tax and social security	13	596	745
Other liabilities and accruals	13	1,647	2,435
Total current liabilities		11,235	12,163
Total Balance		60,242	59,245

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Consolidated Statement of Income and Expenditure 2016

(all amounts in EUR 000s)	Note	2016	2015
Income			
Contribution from Greenpeace Organisations	15	77,469	82,166
Other income	16	1,939	2,279
		79,407	84,445
Expenditure			
Grants and other support to Greenpeace Organisations	17	34,742	30,595
<i>Campaigns:</i>			
Oceans		1,158	1,934
Forests		2,503	2,772
Food for Life		1,446	1,447
Detox		969	989
Climate and Energy		2,382	3,450
Save the Arctic		1,593	2,412
		10,050	13,004
<i>Campaign Support:</i>			
Media and Communications	18	2,321	3,297
Marine Operations and Action Support		10,853	12,176
Other		370	-
		13,544	15,473
Global Engagement and Fundraising		4,877	5,434
Organisational Support	19	15,933	13,250
Total expenditure		79,145	77,756
Surplus before Financial Result		262	6,689
Financial Result	22	(1,952)	119
Surplus/(Deficit) after Financial Result		(1,690)	6,808

Note: The presentation of the 2015 Income and Expenditure Statement differs from the published version as follows:
1. Interest income of EUR 453K is included in Financial Result instead of Other income. Refer to Note 16 and Note 22.
2. Enabling funds (restricted) grants expenditure has been reclassified from Campaigns to Grants and other Support to Greenpeace Organisations, to make it more comparable with 2016 figures. Refer to Note 17.

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Consolidated Statement of Changes in Equity for the year ended 31 December 2016

	<u>2016</u>	<u>2015</u>
(all amounts in EUR 000s)		
Balance as at 1 January	38,605	31,797
Add Movement over the year	<u>(1,690)</u>	<u>6,808</u>
Balance at 31 December	<u><u>36,915</u></u>	<u><u>38,605</u></u>

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Consolidated Cash Flow Statement for the year 2016

(all amounts in EUR 000s)		<u>2016</u>	<u>2015</u>
	Note		
Net Result		(1,690)	6,808
Adjusted for:			
- Depreciation	21	3,049	2,302
- Financial result excluding (un)realised foreign exchange differences	22	460	(288)
- Change in Long Term Provisions	11	(1,061)	538
- Changes in Working Capital	6,7,8,12,13	(7,609)	(4,157)
- Write-offs	6	366	
Cashflow from Organisational Operations		<u>(6,485)</u>	<u>5,203</u>
Interest received	22	-	11
Interest paid	22	(108)	(123)
Cashflow from Operating Activities		<u>(6,593)</u>	<u>5,091</u>
Investments in :			
- Tangible Fixed Assets	5	(4,908)	(1,755)
- New Loans Financial Fixed Assets	6	(1,830)	(1,935)
Repayments on Financial Fixed Assets		464	919
Cashflow from Investing Activities		<u>(6,274)</u>	<u>(2,771)</u>
Repayment of Long-term debt	12	(966)	(948)
Take-up of Long-term debt	12	6,250	-
Cashflow from Financing Activities		<u>5,284</u>	<u>(948)</u>
Net cashflow		<u>(7,583)</u>	<u>1,372</u>
Exchange rate and translation differences on cash and cash equivalents	22	3	587
Changes in Cash and Cash Equivalents		<u>(7,580)</u>	<u>1,959</u>
Cash at beginning of the year		19,790	17,831
Cash at end of the year		<u>12,210</u>	<u>19,790</u>
Net (decrease) / increase		<u>(7,580)</u>	<u>1,959</u>

Financial Statements

Notes to the Consolidated Financial Statements 2016**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 2016, which ended at the balance sheet date of 31 December 2016.

Basis of preparation

The financial statements have been prepared in accordance with Title 9, Book 2 of the Netherlands Civil Code and International Financial Reporting Standards for Small and Medium Sized Entities.

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.

Going concern

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

2. ACCOUNTING POLICIES**General**

The figures for 2015 have been reclassified in order to make them comparable to current year's presentation. The reclassifications are for comparison reasons only and have no impact on the result and the fund balance at year end of 2015.

Assets and liabilities are measured at nominal 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 to result in an outflow of resources embodying economic benefits and the amount of the obligation can be measured reliably.

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.

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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. Expenditure is 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 Expenditure are allocated to the period to which they relate. Revenues are recognised when the organisation has transferred the significant risks and rewards of ownership of the goods to the buyer.

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 for the purpose of presenting the financial position 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 data 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:

Name	Place of Incorporation	Category
Stichting Greenpeace Council	Amsterdam	
Stichting Phoenix	Amsterdam	Investee
Stichting Iris	Amsterdam	Investee

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Stichting Rubicon	Amsterdam	Investee
Stichting Theseus	Amsterdam	Investee
Greenpeace Licensing B.V.	Amsterdam	Subsidiary (100%)
Direct Dialogues Initiatives India	Bangalore, India	Subsidiary (99%)

Principles for the translation of foreign currency

Transactions in foreign currencies

Transactions denominated in foreign currency are translated into the relevant functional currency (Euro) 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 stated at historical cost, are translated into euros at the exchange rates applying on the transaction date.

Non-monetary assets and liabilities denominated in foreign currencies that are stated at current value, are converted into euros at the exchange rates at the time when the actual current value is determined. Exchange rate differences arising from the translation will be directly recognised in equity as part of the revaluation reserve (fund balance).

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

Changes in accounting estimates

Change in accounting estimates applied for measurement of decommissioning costs

An external expert has calculated the decommissioning costs for the 3 ships. In prior years GPI had made an estimation of these costs based on a cost projection for the decommissioning of the Rainbow Warrior III as calculated by an expert in 2012. In this calculation it was assumed that the decommissioning would take place in China and the main part of the total expenditures was related to the transport costs to China. However, as the EU adopted the Ship recycling regulation in 2013, the dismantling of the ships can also be done at a 'Greenpeace' standard in Europe. Significant savings are made by not transporting the vessel, resulting in a significant decrease of the provision needed.

In prior years the provision was based on the net costs for decommissioning of the ships (decommissioning expenses minus an income from the sale of the scrap metal). In 2016 GPI decided however that the decommissioning would not be contracted for in total (supporting the provision based on a net amount), but that the scrap metal will become legally owned and sold by GPI. In this new situation, the decommissioning provision should reflect the gross amount, resulting in an increase in the provision needed. The value of the scrap value should be reflected in the residual value of the ships.

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In 2016 the board decided that the lifetime of the Esperanza would be reduced by 3 years. This has an increasing effect on the provision, as the period over which the provision can be formed is reduced.

The combined impact of the new calculation of decommissioning costs and the change in the lifetime of the Esperanza leads to a reduction of the provision of EUR 2,500K and an increase of the depreciation costs of EUR 600K.

Basing the provision on the gross costs for decommissioning instead of the net costs leads to an increase in the provision of EUR 935K.

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: financial instruments held for trading (financial assets and liabilities), loans and receivables (both purchased and issued), equity instruments and other financial liabilities.

GPI has no derivative financial instruments embedded in contracts

Long-term liabilities are stated after their initial recognition at amortised cost on the basis of the effective interest rate method. Redemption payments regarding long-term liabilities that are due next year, are presented under current liabilities.

Impairment of financial assets

A financial asset that is not stated at (1) fair value with value changes reflected in the profit and loss account, or at (2) amortised cost or lower market value, 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.

Losses are recognised in the Statement of Income and Expenditure and reflected in an allowance account against loans and receivables or investment securities held to maturity. 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 organisation 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 stated 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 for the current and comparative periods are as follows:

Freehold property	50 years
Leasehold improvements	3 years
Ships and ships equipment	4 - 30 years
Motor vehicles and office equipment	5 years
Computer equipment	3 years
Software	3 years

Maintenance expenditures are only capitalised when the maintenance leads to extension of the useful life of the asset and/or future performance units regarding the asset. A provision is recognised for expected costs of periodic major maintenance to buildings and equipment. The related accounting principle is described in the section on Provisions.

For costs of recovery a provision is recognised, see the policy under the heading Provisions.

Tangible fixed assets, for which the organisation and its related entities possess the economic ownership under a financial lease, are capitalised. The obligation arising from the financial lease contract is recognised as a liability. The interest included in the future lease instalments is charged to the profit and loss account during the term of the finance lease contract.

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

Financial fixed assets

Investment in Associates

Associates are those entities in which the organisation has significant influence, but not control, over the financial and operating policies. Associates are accounted for using the equity method (equity accounted investees). When the organisation's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the organisation has an obligation or has made payments on behalf of the investee. Refer to note 6 for details of investments in associates.

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Impairments of fixed assets

Tangible and intangible fixed assets 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 and securities

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.

Reserves and funds

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

General reserves

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

Earmarked reserves

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

1. 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.

Financial Statements

2. Fixed Assets Reserve

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

3. 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 likely fluctuation for the year ahead within 5% to a 95% confidence level, based on historic exchange rates. The amount in the reserve fluctuate with the mix of currency assets and obligations and is re-calculated every year.

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;
- 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'.

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Income

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. Expenditure is 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 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.

Income earned from charges made to other entities within the Greenpeace global network is recognized based on the applicable contractual terms and conditions.

Income and Expenditure are allocated to the period to which they relate. Income is recognised when the organisation has transferred the significant risks and rewards of ownership of the goods to the buyer.

Contributions from Greenpeace National & Regional Organisations

Contributions are recognised as income in the year for which they are agreed.

Donations

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

Grants

Grants that compensate the organisation for expenses incurred are recognised in the Statement of Income and Expenditure on a systematic basis in the same period in which the expenses are recognised. Grants that compensate the organisation for the cost of an asset and gifts in kind are recognised in Statement of Income and Expenditure on a systematic basis over the useful life of the asset.

Grants given to Greenpeace National & Regional Organisations are recognised as expenditure in the year for which they are agreed.

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 profit and loss account.

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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 company 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 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 accrual 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.

Use of estimates and judgements

The preparation of financial statements in conformity with Dutch General Accepted Accounting Policies requires management to exercise its judgement in the process of applying the organisation's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

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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

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.

Loans granted or received from NROs, 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 NROs will therefore not always 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.

4.1 Reserve risk

Our reserves 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. At the end of 2016, 32.9% of the reserves were retained in cash at hand and in bank (2015: 51.3%).

4.2 Credit and cash-flow risk

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. Practically 100% of the receivables are with National and Regional Organisations. The operating model of Greenpeace as a network is that certain organisations commit resources they receive from their donors for local initiatives, but also fund the organisation to support global initiatives and those National and Regional Organisations that are unable to raise sufficient funds to support their campaigns. Although the National and Regional Organisations are independent, Greenpeace forms a group due to strong common goals: one of these is to support global efforts in pursuit of our objectives. The organisation is of strategic importance in the pursuit of these goals and the National and Regional Organisations will work together to create solutions in the event that a credit risk materialises.

The organisation faces another 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.

4.3 Interest rate risk

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. The receivables and payables which carry interest are practically equal and constitute a natural hedge. It is the organisation's opinion that the exposure to interest risks is minimal and does not require any additional instruments. The organisation will monitor the hedge and exposure on a regular basis to assess if further action is needed.

When the market rate conditions differ significantly from the conditions as laid down in the contracts with the National and Regional Organisations a fair value adjustment will be calculated and accounted.

4.4 Currency risk

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

During the financial year 2016 the organisation did not enter into new forward foreign currency contracts. No exchange contracts were outstanding at the end of 2016 and 2015.

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 2016 is detailed in the following table:

Net foreign exchange impact:

		Change FX -2.5%	Change FX +2.5%	Change FX -5%	Change FX +5%
ARS	Argentinian Peso	23.3	-22.2	47.9	-43.3
AUD	Australian Dollar	0.2	-0.2	0.4	-0.4
BRL	Brazilian Real	9.2	-8.8	18.9	-17.1
CAD	Canadian Dollar	13.2	-12.5	27.1	-24.5
CHF	Swiss Frank	-5.7	5.4	-11.6	10.5
CLP	Chilean Peso	13.3	-12.7	27.4	-24.8
CNY	Chinese Yuan	48.5	-46.2	99.6	-90.1
CZK	Czech Krona	-0.4	0.4	-0.9	0.8
GBP	British Pound	75.1	-71.4	154.1	-139.4
INR	Indian Rupee	-64.0	60.9	-131.4	118.9
JPY	Japan Yen	0.4	-0.4	0.8	-0.7
MXN	Mexican peso	-4.9	4.6	-10.0	9.0
NZD	New Zealand Dollar	3.8	-3.6	7.9	-7.1
PLN	Polish Zloty	7.8	-7.4	16.0	-14.5
RUB	Russian Rubel	18.0	-17.1	37.0	-33.5
SEK	Swedish Krona	34.8	-33.1	71.5	-64.7
THB	Thai Baht	10.1	-9.6	20.8	-18.8
USD	United States Dollar	37.2	-35.4	76.3	-69.1
ZAR	South African Rand	5.4	-5.1	11.1	-10.0
Total		225.3	-214.4	462.9	-418.8

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Notes to the Consolidated Balance Sheet

5. TANGIBLE FIXED ASSETS

The movement of the tangible fixed assets during the year can be shown as follows (all amounts in EUR 000s) :

	Leasehold Improvements	Ships	Equipment	Assets under Construction	Total
Book Value @ 31 December 2015	143	21,140	475		21,758
Additions	267	990	565	3,087	4,908
Adjustments		(49)	49		0
Depreciation	(12)	(2,689)	(349)		(3,049)
Book Value @ 31 December 2016	398	19,393	740	3,087	23,618
Purchase	484	38,151	10,275	3,087	51,997
Accummulated Depn	(85)	(18,759)	(9,535)		(28,379)
Book Value @ 31 December 2016	398	19,393	740	3,087	23,618

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

	Arctic Sunrise	Esperanza	Rainbow Warrior III	Total
Hull and Structure	221	662	9,364	10,246
Dry Docking	-	-	89	89
Main Engines	147	441	2,069	2,657
Plant and Machinery	-	-	3,278	3,278
Auxillary Engines	74	221	328	622
Sail and Rigging	-	-	1,139	1,139
Communications/Navigation	25	74	483	581
Equipment	25	74	522	620
	490	1,470	17,272	19,232
Decommissioning	0	160		160
Book Value (as at 31 December 2016)	490	1,630	17,272	19,393
Assets under construction		3,087		3,087

The depreciation on the components is calculated based on the expected useful life (Hull and Structure) or the economic life (if shorter than the expected useful life).

At the end 2016 the Arctic Sunrise undertook a major refurbishment in order to meet new International Maritime Organisation and International Labour Organisation standards; and to extend its useful life until 2033.

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 400.
- Marine vessel Esperanza: useful life until 2019 (2015: 2021); capitalised decommissioning cost EUR 623.
- Marine vessel Rainbow Warrior III: useful life until 2041; capitalised decommissioning cost EUR 222.

There was no impairment recognized for 2016.

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6. FINANCIAL FIXED ASSETS

The financial fixed assets contains:

	<u>2016</u>	<u>2015</u>
(all amounts in EUR 000s)		
Participation	35	28
Loans to Greenpeace entities:		
Fundraising Investment Fund	3,013	2,811
Other Loans	<u>3,087</u>	<u>3,259</u>
	<u>6,135</u>	<u>6,098</u>

Participation

The organisation has an investment representing a 25.6% interest in the cooperative entity with limited liability in Belgium that 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 2016 the entity made a profit of EUR 27k (2015: EUR 31k) which has resulted in a positive equity at year end 2016 of EUR 35k (2015: 28k).

(all amounts in EUR 000s)

			<u>2016</u>	<u>2015</u>
<u>Fundraising Investment Fund</u>	Loan	Interest %		
Greenpeace Africa	ZAR	0.30%	232	49
Greenpeace Brazil	BRL	0.30%	509	-
Greenpeace Canada	CAD	0.30 - 0.40%	486	255
Greenpeace Central and Eastern Europe	PLN	1.00%	301	-
Greenpeace Chile (Greenpeace Andino)	CLP	0.30%	137	116
Greenpeace East Asia	CNY	0.3% - 0.75%	1,976	1,800
Greenpeace Greece	EUR	0.3%-0.75%	223	327
Greenpeace Japan	JPY	0.30%	35	32
Greenpeace Mediterranean	EUR	1.50-2.00%	150	513
Greenpeace Mexico	MXN	0.30%	13	123
Greenpeace Nordic	SEK	0.75%	-	353
Greenpeace US	USD	0.30%	285	365
			<u>4,346</u>	<u>3,933</u>
<u>Other loans granted</u>				
Greenpeace Australia Pacific	AUD	6.00%	-	311
Greenpeace Russia	RUB	0.00%	181	144
Greenpeace United Kingdom	GBP	0.00%	2,906	3,277
			<u>3,087</u>	<u>3,732</u>
Loans Total			<u>7,433</u>	<u>7,665</u>
Current Loans			1,333	1,595
Non-current			<u>6,100</u>	<u>6,070</u>
			<u>7,433</u>	<u>7,665</u>

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The movement on the loans during the year is shown below:	2016	2015
At 1 January	7,665	6,765
New loans and additions	1,830	1,935
Interest	28	30
Repayments	(1,290)	(1,656)
Revaluation	(580)	591
Unwinding amortised costs	147	-
Write-offs	(366)	-
	<hr/>	<hr/>
At 31 December	<u>7,433</u>	<u>7,665</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 by Greenpeace Russia. The loan is repayable in 24 equal annual instalments of Rouble (RUB) 370k and a final payment of RUB 43.5M in December 2030. The unwinding of the amortised costs in 2016 is EUR 19k (at average exchange rate)
- The Greenpeace United Kingdom (Greenpeace UK) interest free loan was made to Canonbury Villas Ltd to help facilitate the repayment of a mortgage on the property of the Greenpeace UK office premises. The loan is repayable in April 2023. The unwinding of the amortised costs in 2016 is EUR 128k (at average exchange rate).
- The organisation wrote off loan balances of EUR 366K in 2016 (2015: EUR 0K) in relation to uncollectable 2012 and 2013 FIF loans with Greenpeace Mediterranean.

The organisation does not foresee any other uncollectable amounts and no provisions are made in relation to this.

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7. DUE FROM GREENPEACE ORGANISATIONS

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

(all amounts in EUR 000s) National and regional Greenpeace organisations	Current assets		Current liabilities	
	2016	2015	2016	2015
Andino	910	550	-	-
Argentina	-	-	554	535
Central and Eastern Europe	264	231	-	-
Australia Pacific	4	-	-	216
Belgium	629	632	-	-
European Unit	-	337	125	-
Brazil	-	80	160	-
Canada	25	7	-	-
Switzerland	-	-	221	829
Chile	468	125	-	-
Czech Republic	-	24	17	-
Germany	7,559	998	-	-
Spain	263	44	-	-
France	-	57	120	-
Greece	-	-	113	24
East Asia	-	-	176	311
Italy	-	-	11	128
Japan	-	111	21	-
Luxembourg	-	-	67	168
Mediterranean	3	698	-	-
Mexico	-	-	202	171
Netherlands	-	-	7	117
New Zealand	150	54	-	-
Nordic	1,360	1,534	-	-
Russia	-	20	43	-
United Kingdom	-	-	574	986
USA Foundation	2,779	2,995	-	-
USA Incorporate	-	-	712	275
Science Unit	-	-	13	8
India	-	-	2,774	1,217
South East Asia	395	-	-	1,020
Africa	-	16	21	-
	14,808	8,513	5,933	6,005

8. OTHER ASSETS AND PREPAYMENTS

(all amounts in EUR 000s)

	2016	2015
Prepayments	1,381	773
Fuel	187	273
Other receivables	570	445
	2,138	1,491

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9. BANK AND CASH IN HANDCASH AND CASH EQUIVALENTS

(all amounts in EUR 000s)

	2016	2015
Bank	65	67
Cash in hand	12,145	19,723
	<u>12,210</u>	<u>19,790</u>

The bank current accounts includes a bank guarantee of EUR 85 k (2015: EUR 85) in respect of the organisation's rental lease for the Amsterdam premises. There is another guarantee of INR 2,000,000 (EUR 28) in respect of a bank overdraft.

Deposits included under Bank are available on demand.

10. FUND BALANCE ANALYSIS

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

	<u>2016</u>	<u>2015</u>
(all amounts in EUR 000s)		
Balance as at 1 January	38,605	31,797
Add Movement over the year	<u>(1,690)</u>	<u>6,808</u>
Balance at 31 December	<u>36,915</u>	<u>38,605</u>

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 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:

	<u>General Reserves</u>	<u>Earmarked reserves</u>			<u>Total</u>
	Free available	Decommissioning RWII	Fixed assets	Foreign Exchange Risk	
(all amounts in EUR 000s)					
Balance as at 31 December 2015	16,547	300	21,758	-	38,605
Result over the year	(1,690)	-	-	-	(1,690)
Movement	<u>(3,361)</u>	<u>-</u>	<u>882</u>	<u>2,509</u>	<u>-</u>
Balance as at 31 December 2016	<u>11,497</u>	<u>300</u>	<u>22,610</u>	<u>2,509</u>	<u>36,915</u>

GPI has the following earmarked reserves and funds:

- An amount of EUR 0.3 million will be used for the decommissioning of Rainbow Warrior II (RWII). This amount will not change as long as the RWII is still in use. The RWII is not an asset anymore of GPI, and therefore no provision is recognised for the decommissioning of this ship.

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- The amount of EUR 22.6 million has been allocated for financing fixed assets. This comprises the NBV of Fixed Assets of EUR 23.6M less the estimated scrap value of the ships of EUR 1.0M.
- The Foreign Exchange Risk is based on the estimated exchange risk for a year with a confidence of 97.5% on the volatility of the used foreign currencies.

11. PROVISIONS

The movement and the split in the provisions during 2016 can be presented as follows (all amounts in EUR 000s):

	Legal	Restructuring	Decommissioning	Royalties	Total
Balance at 31 December 2015	555	1,246	2,824	9	4,634
Additions	610	725	146	-	1,481
					-
Usage	-	(855)	-	-	(855)
					-
Unused adjustments	-	-	(1,678)	(9)	(1,687)
					-
Balance at 31 December 2016	<u>1,165</u>	<u>1,116</u>	<u>1,292</u>	<u>-</u>	<u>3,573</u>

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 accrued for, except where stated below, as the organisation believes, after obtaining the opinion of the organisation's legal advisors, that it is either unlikely that these claims will be successful or it is not yet possible to assess the likelihood of the claims succeeding. These cases include the following:

1. The organisation is a co-defendant in a legal case in 2010. A legal provision for EUR 265k (2015: EUR 265k) is made in accordance with legal advice.
2. The organisation has agreed to contribute to legal costs and liability in 3 long-lasting legal cases against one of the National Organisations. The organisation has provided EUR 180k for legal costs (2015: EUR 180k).
3. The organisation is a co-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. A legal provision for EUR 100k (2015: EUR 100k) is made in accordance with legal advice.
4. The organisation has agreed to contribute to legal costs and liability in a legal case against one of the National Organisations dated June 2015. A legal provision for EUR 175k (2015: EUR 0k) is made in accordance with legal advice.
5. The organisation is a co-defendant in a legal case abroad in 2016. A legal provision for 250k is made in accordance with legal advice for expected legal costs.
6. The organisation is involved in several smaller cases that are expected to end within the next two years. Current legal costs are provided for EUR 195k (2015: 10).

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Restructuring

The organisation has also made a provision for restructuring that is expected to be realised by end 2017. The provision for restructuring pertains 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 in the provision 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.

Decommissioning

The organisation has three ships in operation. The present value of the balance of cost and yield for decommissioning is EUR 1,292k (2015: EUR 2,824). 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.

12. LONG TERM LIABILITIES

Loans due to Greenpeace National & Regional Organisations

(all amounts in EUR 000s)	Loan Currency	2016	2015
Rainbow Warrior III Loans			
Greenpeace Germany	EUR	3,498	4,161
Greenpeace Switzerland	CHF	-	184
Greenpeace United Kingdom	GBP	118	147
Greenpeace US	USD	360	569
		3,976	5,061
Arctic Sunrise Loan			
Greenpeace Germany	EUR	6,250	-
		6,250	-
Total Loans		10,226	5,061
Current Loans		1,707	1,218
Non-current loans:			
Due to National and Regional Organisations > 5 years		3,128	734
Due to National and Regional Organisations 1-5 years		5,391	3,109
		8,519	3,843
		10,226	5,061

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.

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- Greenpeace Switzerland: denominated in CHF and bearing interest based on the Swiss "Post Finance". The loan is repayable in equal annual instalments over 5 years starting October 17, 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.

13 CURRENT LIABILITIES

(all amounts in EUR 000s)

	2016	2015
Accounts payable	1,351	1,760
Accrued liabilities	454	928
Deferred Income	-	200
Tax and social security	596	745
Employees	1,193	1,307
	<u>3,594</u>	<u>4,940</u>

During the financial year 2016 the organisation did not enter into new forward foreign currency contracts and no contracts were open from prior years.

Tax and social security contributions

	2016	2015
Wage tax and social security contributions	337	330
Value-added tax	259	415
	<u>596</u>	<u>745</u>

All accruals are expected to have a residual term of less than one year.

14. OFF BALANCE SHEET LIABILITIES

Operational lease

(all amounts in EUR 000s)

	2016	2015
Not later than one year	381	439
Later than one year but not later than 5 years	639	582
	<u>1,020</u>	<u>1,021</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. It is likely due to developments from the landlord that the lease will end before the expiry date of the contract.
2. The office equipment lease expires on 30 June 2019
3. The mobile phone contract expires in February 2019.

The commitments regarding the refurbishment of the Arctic Sunrise at year end 2016 are approximately to an amount of EUR 1.6M.

On 22 August 2017 a lawsuit was filed against Greenpeace International and others in the United States. We do not consider this a legitimate case, nor do plaintiffs, in our view, have a reasonable chance of winning this case. Accordingly we have currently not made a provision for losing this case.

Financial Statements

Notes to the Consolidated Statement of Income and Expenditure

15. CONTRIBUTIONS FROM GREENPEACE ORGANISATIONS

(all amounts in EUR 000s)	2016	2015
Greenpeace Andino	1,287	1,169
Greenpeace Australia	3,917	3,914
Greenpeace Belgium	2,462	1,864
Greenpeace Brazil	100	-
Greenpeace Canada	1,694	1,766
Greenpeace Central and Eastern Europe	2,510	2,057
Greenpeace Czech Republic	33	32
Greenpeace East Asia	340	262
Greenpeace France	4,962	4,687
Greenpeace Germany	20,003	19,536
Greenpeace Greece	40	68
Greenpeace Italy	1,544	1,595
Greenpeace Japan	14	14
Greenpeace Luxembourg	94	-
Greenpeace Mediterranean	901	612
Greenpeace Mexico	356	504
Greenpeace Netherlands	8,606	7,299
Greenpeace New Zealand	1,402	1,563
Greenpeace Nordic	5,439	5,783
Greenpeace Spain	2,471	2,290
Greenpeace Switzerland	8,202	9,836
Greenpeace United Kingdom	5,492	11,166
Greenpeace United States	5,597	6,149
	77,469	82,166

16. OTHER INCOME

(all amounts in EUR 000s)	2016	2015
Major donors	1,655	2,110
Other income	276	161
Videos etc	8	8
	1,939	2,279

Note: In the published 2015 Financial Statements, Other income includes interest income of EUR 453K. This has been reclassified to Financial Result in the 2016 Financial Statements to be comparable with 2016 figures. Refer also to Note 22.

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17. SUPPORT TO GREENPEACE ORGANISATIONS

(all amounts in EUR 000s)

	<u>2016</u>	<u>2015</u>
Greenpeace Africa	3,193	3162
Greenpeace Andino	235	115
Greenpeace Australia Pacific	188	496
Greenpeace Canada	700	658
Greenpeace Central and Eastern Europe	756	559
Greenpeace Brazil	5,196	4071
Greenpeace East Asia	7,333	7528
Greenpeace France	169	0
Greenpeace Germany	104	0
Greenpeace Greece	51	68
Greenpeace India	1,555	1387
Greenpeace Italy	30	0
Greenpeace Japan	1,053	852
Greenpeace Mediterranean	2,395	636
Greenpeace Mexico	482	799
Greenpeace Netherlands	27	0
Greenpeace New Zealand	116	17
Greenpeace Nordic	531	239
Greenpeace Russia	2,268	1795
Greenpeace Spain	20	51
Greenpeace South East Asia	4,919	4628
Greenpeace United Kingdom	429	327
Greenpeace United States	2,992	2733
	<u>34,742</u>	<u>30,121</u>

The grants can be split in the following categories:

Block grants and restricted contributions to NROs	28,669	26,258
Restricted grants	6,073	3,862
Other grants/funds	-	475
	<u>34,742</u>	<u>30,595</u>

Note that in 2015 the restricted grants were classified within the Campaign areas. The 2015 figures have been restated to include these grants within the Grants to NROs.

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18. CAMPAIGN SUPPORT

Campaign Support costs consist of (all amounts in EUR 000s)

	<u>2016</u>	<u>2015</u>
Marine Operations	9,499	10,741
Action Support	1,354	1,329
Communications and Media	2,321	3,175
Other	370	228
	<u>13,544</u>	<u>15,473</u>

Marine operations costs can be split as follows: Esperanza EUR 2.5M (2015: EUR 3.2M), Arctic Sunrise EUR 1.8M (2015: EUR 2.1M), Rainbow Warrior III EUR 1.9M (2015: EUR 2.2M), Support costs EUR 3.3M (2015: EUR 3.3M).

19. ORGANISATIONAL SUPPORT

Organisational Support consists of (all amounts in EUR 000s):

	<u>2016</u>	<u>2015</u>
Information Technology	2,738	3,387
Human Resources and Training	3,885	3,361
Finance	2,478	2,536
Executive Directors' Office & Governance	1,672	1,763
Organisational Direction	613	368
Development	823	685
Strategic Initiatives	2,423	193
Performance, Accountability & Learning	423	438
(Allocation of) Property Costs	878	519
	<u>15,933</u>	<u>13,250</u>

Strategic Initiatives show an increase in 2016. This is due to the costs being allocated across Campaign areas in 2015.

Property costs comprise office rent, management and equipment depreciation. In 2016 all Property costs are included within Organisational Support, in 2015, property costs were apportioned across all departments based on headcount. The total figure for Property costs in 2015 was EUR 1,029K.

20. STAFF EXPENSES

(all amounts in EUR 000s)

	2016	2015
Salaries	11,543	12,311
Social security	1,341	1,428
Pension	618	503
Redundancy	731	62
Other staff costs	<u>921</u>	<u>1,097</u>
	15,154	15,401
NRO charges	9,733	8,450
Temporary agencies	<u>274</u>	<u>2,056</u>
	<u>25,161</u>	<u>25,907</u>

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The organisation employed an average of 235 employees during 2016 (2015: 258) of which 108 (2015: 125) were outside of The Netherlands and charged to the organisation by the NROs.

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 2016 contains depreciation as follows:

(all amounts in EUR 000s)

Ships	2,079
Decommissioning	610
Other	360
	3,049

22. FINANCIAL RESULT

The financial result can be shown as follows:

(all amounts in EUR 000s)

	2016	2015
Income		
Interest from NROs	33	55
Participation result	7	0
Unwinding amortised costs	147	0
Revaluation loans	0	398
	187	453
Expenses		
Interest on loans	127	165
Revaluation FiF loans	201	0
Revaluation other loans	319	0
Foreign exchange		
Unrealised	637	-107
Realised	855	276
	2,139	334
Financial result (loss) / gain	(1,952)	119

Note: In the published 2015 Financial Statements the interest income of EUR 453K shown in the Financial Result table above is shown in Other income. This has been reclassified to Financial Result in the 2016 Financial Statements to be comparable with 2016 figures. Refer also to Note 16.

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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 NROs, 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 NROs 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.

To the best knowledge of the organisation, there are no related party transactions that require disclosure.

25. BOARD REMUNERATION and COMPENSATION

The remuneration for the year 2016 of the Managing (International Executive) Directors and the compensation for Supervisory Directors (Non- Executive Board) is in the table below (all amounts in EUR 000s) :

	Salary	Social security	Pension	Total	Period
Executive Directors (Full Time)					
Mads Christensen	80	7	-	87	Jan - Aug 2016
Bunny McDiarmid	121	7	6	134	Apr 2016 - present
Jennifer Morgan	121	7	6	134	Apr 2016 - present
	<u>322</u>	<u>21</u>	<u>12</u>	<u>355</u>	
Non-Executive Board					
Ana Toni	35	-	-	35	Apr 2011 - present
Ed Harrington	10	-	-	10	Nov 2012 - present
Thuli Makama	10	2	-	12	May 2013 - present
Athena Ronquillo-Ballesteros	10	-	-	10	May 2014 - present
Michael Hammer	10	-	-	10	Nov 2014 - present
Ravi Rajan	6	-	-	6	Jun 2015 - present
Anabelle Rosemberg	5	-	-	5	Mar 2016 - present
	<u>86</u>	<u>2</u>	<u>-</u>	<u>88</u>	
Expense compensation board related parties					
	Iris	Phoenix	Theseus	Total	
B.J. van Spaendonck	1	1	1	3	
G.J.G. Bolderman	1	1	1	3	
				<u>6</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 Netherlands Civil Code: EUR 174K for the year 2016 (2015: 82k including 31k for the year 2014).

27. SUBSEQUENT EVENTS

No subsequent events have been identified.

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28. APPROPRIATION OF RESULT

The Board has approved the allocation of the result of EUR 1,690 (negative) 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

2016

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Balance sheet as at 31 December 2016, including appropriation of the result

(all amounts in EUR '000)			<u>2016</u>	<u>2015</u>
	Note			
ASSETS				
Fixed assets				
Tangible fixed assets	31	999	524	
Financial fixed assets	32	<u>3,233</u>	<u>2,682</u>	
Total fixed assets		4,232		3,206
Current assets				
Due from Greenpeace organisations	7	14,808	8,513	
Due from related parties	33	15,942	20,286	
Loans	6	1,333	1,590	
Other assets and prepayments	34	<u>2,037</u>	<u>1,461</u>	
		34,120	31,850	
Bank and cash in hand	35	<u>4,750</u>	<u>12,401</u>	
Total current assets		<u>38,870</u>	<u>44,251</u>	
Total balance		<u><u>43,102</u></u>	<u><u>47,457</u></u>	
FUND AND LIABILITIES				
Fund balance	36	27,565		29,972
Provisions	37	2,281		1,801
Long term liabilities	38	2,891		3,843
Current liabilities				
Accounts payable to vendors		1,115	1,414	
Due to Greenpeace organisations	7	5,933	6,005	
Loans	12	1,082	1,218	
Tax and social securities		595	799	
Other liabilities and accruals		<u>1,640</u>	<u>2,405</u>	
Total current liabilities		<u>10,365</u>	<u>11,841</u>	
Total Balance		<u><u>43,102</u></u>	<u><u>47,457</u></u>	

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Statement of Income and Expenditure 2016

		<u>2016</u>	<u>2015</u>
	(all amounts in EUR '000)		
Result before financial result (loss)/gain		(863)	6,416
Financial result	40	<u>(1,544)</u>	<u>119</u>
Net Financial result (loss)/gain		<u><u>(2,407)</u></u>	<u><u>6,535</u></u>

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Notes to the Financial Statements

29. GENERAL

The separate Financial Statements are part of the 2016 Consolidated Financial Statements of Greenpeace International and related entities.

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 Netherlands Civil Code. The Statement of Income and Expenditure has been drawn up using the exemption of 402 of part 9, book 2 of the Netherlands Civil Code. There are no Financial Fixed Assets included in stand-alone financial statements of Stichting Phoenix, Stichting Rubicon, Stichting Iris and Stichting Theseus. These are contractually related entities on which Stichting Greenpeace Council has the power to govern the financial and operating policies (IFRS SME 9.5 b) 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% of the shares of Direct Dialogues Initiatives India. These entities have been treated as immaterial for the standalone Financial Statements.

31. TANGIBLE FIXED ASSETS

(all amounts in EUR 000s)

	Leasehold Improvements	Equipment, Fixtures and Fittings	Total
Bookvalue as per 31 December 2015	0	524	524
Additions	267	565	831
Depreciation	(7)	(349)	(356)
	<hr/>		
Bookvalue as per 31 December 2016	259	740	999
	<hr/>		
Purchase Cost	267	10,275	10,541
Accumulated Depreciation	(7)	(9,535)	(9,542)
	<hr/>		
Bookvalue as per 31 December 2016	259	740	999

32. FINANCIAL FIXED ASSETS

The Financial Fixed Assets contains loans given to Greenpeace organisations (2016: 3,013K, 2015: 2,654K), and investments in subsidiaries and associates (2016: EUR 220K, 2015: 28K). The movement in the investments is shown below.

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(all amounts in EUR 000s)

	Via-Ex	Greenpeace Licensing BV	Direct Dialogue Initiatives India Pvt	Total
Value as at 31 December 2015	28	-	-	28
Adjustment	-	51	-	51
Value as at 1 January 2016	28	51	-	79
Additions	-	-	142	142
Result	7	-5	-3	-1
Value as at 31 December 2016	<u>35</u>	<u>46</u>	<u>139</u>	<u>220</u>
Purchase value	80	18	141	
Participation percentage	25.60%	100%	99%	
Country	Belgium	Netherlands	India	
Place	Brussels	Amsterdam	Bangalore	

33. DUE FROM RELATED PARTIES

(all amounts in EUR 000s)

	<u>2016</u>	<u>2015</u>
Stichting Iris	14,164	15,759
Stichting Phoenix	(19,154)	(17,305)
Stichting Rubicon	65	65
Stichting Theseus	20,752	21,659
Greenpeace Licensing B.V.	115	108
	<u>15,942</u>	<u>20,286</u>

34. OTHER ASSETS AND PREPAYMENTS

(all amounts in EUR 000s)

	<u>2016</u>	<u>2015</u>
Prepayments	1,364	754
Other receivables	673	707
	<u>2,037</u>	<u>1,461</u>

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35. BANK AND CASH IN HAND

(all amounts in EUR 000s)

	<u>2016</u>	<u>2015</u>
Cash on deposit	159	159
Cash in current accounts	<u>4,591</u>	<u>12,242</u>
	<u>4,750</u>	<u>12,401</u>

The bank current accounts includes a bank guarantee of EUR 85 k (2015: EUR 85) in respect of the organisation's rental lease for the Amsterdam premises. There is another guarantee of INR 2,000,000 (EUR 28) in respect of a bank overdraft.

Deposits included under Bank are available on demand

36. 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 (net book value) 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)

	<u>General Reserves</u>	<u>Earmarked reserves</u>			<u>Total</u>
	Free available	Decommissioning RWII	Fixed assets	Foreign Exchange Risk	
Balance as at 31 December 2015	29,448	-	524	-	29,972
Result over the year	(2,407)	-	-	-	(2,407)
Movement	<u>(3,284)</u>	300	475	2,509	<u>-</u>
Balance as at 31 December 2016	<u>23,757</u>	<u>300</u>	<u>999</u>	<u>2,509</u>	<u>27,565</u>

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Difference between Consolidated Financial Statements and Stichting Greenpeace Council Fund Balance

The difference between the fund balance of the Consolidated Financial Statements and Stichting Greenpeace Council lies in the result of the Financial Statements of Stichting Phoenix, Stichting Iris, Stichting Rubicon, Stichting Theseus and Greenpeace Licensing BV.

(all amounts in EUR 000s)

Stichting Greenpeace Council	27,565
Stichting Phoenix	376
Stichting Iris	(35)
Stichting Theseus	9,009
Stichting Rubicon	<u>0</u>
Consolidated fund balance	<u>36,915</u>

APPROPRIATION OF RESULT

The Board has approved the proposed allocation of the net loss result of EUR 2,407 to the fund balance as shown in the Balance Sheet and the notes (note 10).

37. PROVISIONS

(all amounts in EUR 000s)

	<u>Legal</u>	<u>Restructuring</u>	<u>Total</u>
Balance at 31 December 2015	555	1246	1801
Additions	610	725	1335
Usage	<u>-</u>	<u>(855)</u>	<u>(855)</u>
Balance at 31 December 2016	<u>1,165</u>	<u>1,116</u>	<u>2,281</u>

For narrative details regarding the provisions, refer to Consolidated Financial Statements, note 11.

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38. LONG TERM LIABILITIES

Loans due to Greenpeace National and Regional Offices

(all amounts in EUR 000s)

	Loan Currency	<u>2016</u>	<u>2015</u>
Rainbow Warrior III Loans			
Greenpeace Germany	EUR	3498	4161
Greenpeace Switzerland	CHF	0	184
Greenpeace United Kingdom	GBP	118	147
Greenpeace US	USD	360	569
Total Loans		<u>3,976</u>	<u>5,061</u>
Current Loans		1083	1218
Non-current Loans:			
Due to National and Regional Offices > 5 years		0	734
Due to National and Regional Offices 1- 5 years		2893	3109
Total Non-current Loans		<u>2893</u>	<u>3843</u>
Total Loans		<u>3,976</u>	<u>5,061</u>

39. OFF BALANCE SHEET LIABILITIES

Operational lease

	2016	2015
Not later than one year	381	439
Later than one year but not later than 5 years	639	582
	<u>1,020</u>	<u>1,021</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. It is likely due to developments from the landlord that the lease will end before the expiry date of the contract.
2. The office equipment lease expires on 30 June 2019
3. The mobile phone contract expires in February 2019.

Although the audit of the Dutch tax Authorities on the payroll 2014 is not concluded yet, we have the opinion that based on the last meetings the outcome of this audit will not be material.

On 22 August 2017 a lawsuit was filed against Greenpeace International and others in the United States. We do not consider this a legitimate case, nor do plaintiffs, in our view, have a reasonable chance of winning this case. Accordingly we have currently not made a provision for losing this case.

Financial Statements

40. FINANCIAL RESULT

The financial result can be shown as follows:

(all amounts in EUR 000s)

	<u>2016</u>	<u>2015</u>
Income		
Interest on NRO Loans	33	55
Participation result	28	0
Unwinding amortised costs		0
Revaluation loans		<u>398</u>
	<u>61</u>	<u>453</u>
Expenses		
Bank charges and interest		
Interest on loans	87	165
Revaluation NRO Loans	201	
Foreign Exchange - Unrealised	617	(107)
Foreign Exchange - Realised	<u>700</u>	<u>276</u>
	<u>1,605</u>	<u>334</u>
Financial Result (loss)/gain	<u>(1,544)</u>	<u>119</u>

41. 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.

To the best knowledge of the organisation, there are no related party transactions that require disclosure.

Amsterdam, 24 November 2017

International Executive Directors	Board
J.L. Morgan	A.M. Imam (chair)
A.M. McDiarmid	E.M. Harrington
International Finance Director	T.B. Makama
C.P. Fyfe	M.A. Ronquillo – Ballesteros
	M.A. Hammer
	S.R. Rajan
	A.E. Rosemberg

Financial Statements

Other information

Independent auditor's report

To: the Board of Directors of Stichting Greenpeace Council

Report on the accompanying financial statements

Our opinion

We have audited the financial statements 2016 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 2016 and of its result and its cash flows 2016 in accordance with International Financial Reporting Standards for Small and Medium Sized Entities (IFRS-SME) and with Part 9 of Book 2 of the Netherlands 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 2016 and of its result 2016 in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

The consolidated financial statements comprise:

- 1 the consolidated statement of financial position as at 31 December 2016;
- 2 the following consolidated statements 2016: the statement of income and expenses, changes in equity and cash flows; and
- 3 the notes 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 2016;
- 2 the company statement of income and expenses 2016; 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 Board of Directors;
- other information pursuant to Part 9 of Book 2 of the Netherlands Civil Code.

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 Netherlands Civil Code.

Financial Statements

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 Netherlands 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 Board of Directors is responsible for the preparation of the other information, including the management report, in accordance with Part 9 of Book 2 of the Netherlands Civil Code, and other information pursuant to Part 9 of Book 2 of the Netherlands Civil Code.

Description of the responsibilities for the financial statements

Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS-SME and Part 9 of Book 2 of the Netherlands Civil Code. Furthermore, the Board of Directors is responsible for such internal control as the Board of Directors determines 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 Board of Directors is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Board of Directors should prepare the financial statements using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of 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.

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.

For a further description of our responsibilities in respect of an audit of financial statements, we refer to the website of the professional body for accountants in the Netherlands (NBA): ww.nba.nl/Engels_nietoob_2016.

Amstelveen, 24 November 2017

KPMG Accountants N.V.

E. Breijer RA