

GREENPEACE INTERNATIONAL

STICHTING GREENPEACE COUNCIL & RELATED ENTITIES
ANNUAL REPORT 2018



STICHTING GREENPEACE COUNCIL & RELATED ENTITIES ANNUAL REPORT 2018

Report of the International Executive Directors and Report of the Governing Board

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Stichting Greenpeace Council Report of the International Executive Directors

Report from the International Executive Directors and Financial statements for 2018

The International Executive Directors are pleased to present their annual management report and Financial Statements for the year ended 31 December 2018.

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

Greenpeace is an independent global campaigning network, consisting of 27 national and regional Greenpeace organisations (NROs) plus Greenpeace International (GPI) as a coordinating and enabling organisation.

For the purpose of this report, the words we', 'our(s)', 'us' refer to either the global Greenpeace network, or part of it, or to GPI, depending on the context.

The Greenpeace Global network: Who we are

In 1971, our founders set sail to an island in the Arctic. Their mission? To stop a nuclear bomb. It was a journey that would spark a movement and which continues to make history. Greenpeace is an independent campaigning network, which uses **peaceful, creative confrontation to expose global environmental problems, and develop solutions for a green and peaceful future.**

The global network of independent Greenpeace organisations comprises 27 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 (see next pages), which is the subject of this report.. We are independent from political and corporate interests.

Our Mission

Greenpeace's goal is to **ensure the ability of the earth to nurture life in all its diversity.**

That means we want to:

- protect biodiversity in all its forms
- prevent pollution and abuse of the earth's oceans, land, air and fresh water
- end all nuclear threats
- promote peace, global disarmament and non-violence.

Our Principles

- Personal responsibility and non-violence
- Independence
- Greenpeace has no permanent friends or foes.
- Promoting solutions

Our Vision

As the productivity of nations rises, the quality of life on earth falls. But there are solutions that can transform the world into a greener, safer place to live. We are working to bring about these solutions and spread our vision of a transformed world where the environment and sustainable development come first.

Our Global Strategy

Greenpeace strives for a green and peaceful world — a powerful vision that is still at the centre of our work after four decades. But we realise change can't come in incremental steps anymore. The crises our planet is facing are urgent and existential — the speed of action is critical and we must find ways to make fundamental change.

Our goals represent the most important “boundaries” for a healthy environment, and they reflect the most powerful ways to change the system for the long term. Therefore, all our campaigns seek to deliver as much as possible on all of the goals.

We acknowledge Greenpeace will never be big or powerful enough to reach these goals alone, but we can contribute to them by focusing our efforts in three ways:

- Using disruption: we seek to be fast and flexible so as to leverage events that fundamentally shift big parts of the system
- Putting culture and storytelling at the heart of our work, to influence and help shift power dynamics and change mindsets: with the use of “mind bombs” and unwavering optimism, make people

look at the world in a new way, and spark them into action.

- Placing the “billion acts of courage” and people power at the core of our work.

Our Global Goals: Shifting to a green and peaceful future

- Setting **goals for environmental boundaries** that can't be crossed, particularly to protect biodiversity and control climate change as they are potentially irreversible.
- **Changing mindsets** that support unsustainable systems & shifting what people accept as normal.
- **Changing power dynamics** that hold us back, including who gets to decide rules and priorities, who influences key players in our systems, & who benefits.

Greenpeace International (GPI)

Role

Greenpeace International has a dual role within the global network:

- **enable** NROs
- provide global **coordination**

In doing so it achieves to facilitate the overall strategy of the distributed operating model in being:

“Tight on strategy, loose on implementation, tight on evaluation”.

GPI thus monitors the organisational development and performance of 27 independent Greenpeace NROs based across the globe, coordinates and enables Greenpeace’s global campaigns, manages the three Greenpeace ships, and monitors NRO compliance with core policies.

Functions

1. Facilitate and drive the agreement of the **strategic direction of the network as a whole**.
2. **Enable and support NROs** to deliver the global programme through provision of pertinent services and systems.
3. **Enhance organisational performance, cohesion and alignment through analysis, tracking and evaluation:** GPI must have a clear understanding of how the network is performing as a whole, with strong metrics, information and analytics.
4. **Ensure a highly effective global network:** GPI is to serve the global network’s needs and agreed strategic direction in terms of people, financial resources, operations, governance, etc.

Strategic Plan

Priorities

1. **Open and Collaborative:** encourage/prioritise work that promotes collaboration across GPI and NROs.
2. **Living our story:** work on projects across GPI which will shift our organisational culture and build trust.
3. **Re-energising the Operating Model:** review lessons learned and adjust.
4. Establish **analytics** for campaign impact.
5. Tailoring **NRO support** based upon strong partnerships and relationships with NROs, and between NROs.
6. **Decision making:** improve openness, transparency and responsiveness.
7. **Leadership and Management:** ensure independent, strong leadership across the organisation.
8. **Effectiveness and efficiency:** ensure that our processes are evaluated to ensure appropriate levels of bureaucracy are in place.

It is the IED’s assessment that GPI has strongly delivered on the programmatic objectives (discussed on the Impacts section of this document) and partially delivered on the internal Strategic Plan for 2018. While there is still pending work to strengthen GPI’s enabling role in the Operating Model, some significant achievements are:

- The development of **new contribution model (nCM) proposal**. Consultation will end in April 2019 and the final proposal will go to the EDM 2019.
- Significant advances in systems for engagement
- Development of an NRO monitoring system -FOCUS- to allow decision makers to track milestones, decisions, risks and funding flows.
- Implementation of the ED **Peer to Peer Network**
- Implementation of the Integrity System
- Identification of 2019 programmatic priorities through a process that ensured joint ownership and accountability
- Specialist NRO support teams are set up and working.

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Legal and Organisational Structure

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

Internal Structure

Greenpeace International has had to realign itself over time to be increasingly fit for purpose for the delivery of its role under the distributed operating model. The current functional units and departments are described below. In 2018, several teams went through significant reorganisations to address the challenges ahead. Amongst these were Operations, the Political and Business Unit, Global People & Culture, the Legal Unit and Finance. Several areas are gearing up to moving ahead with their own change processes including PAL (Performance, Accountability & Learning), some teams within the Global Engagement Department, the International Development Department, Global L&D (Learning & Development) and the Programme Direction Unit.

International Programme provides support for NRO campaign development and is organized around seven thematic areas which drive the global strategy. We are responding to NRO needs through multi-functional teams.

The Global Engagement Department (GED) supports NROs and campaign teams in delivering a billion acts of courage - providing guidance and support across mobilization, fundraising and communications and offering specialist advice.

The GPI Operations Department supports the global campaigns with expertise on actions, investigations, security and maritime knowledge. It supports the NROs in the delivery of the global program and building their capacity to do so in those areas. It crews and operates the one of a kind equipment used in and

for the Program, such as the fleet of three ocean going ships, a hot air balloon, and measuring and protection equipment for various radioactive and hazardous materials.

The International Development Department supports functioning and development of the NROs, helping them to become and stay fit to deliver on their agreed strategic priority roles in the global network. It also functions as the main interface between NROs and GPI, including facilitation of the 3 year strategies and annual agreements about objectives and resource allocations;

Information Technology runs global IT systems for GPI and NROs;

People and Culture manages GPI staff relations, supports NROs in improving staff relations and

provides a Learning & Development function for all staff in the Greenpeace network;

International Finance ensures the sound financial management of GPI, supports NROs in improving financial management, provides common financial systems and standards and manages funding flows to and from NROs.

The International Executive Directors' Office supports the smooth-running and governance of GPI;

The Legal Unit provides legal advice, including on strategic litigation to protect the planet and strategic defence of campaigns, and helps build the NRO legal support network.

The impact of the reorganisations is positive. The restructure in the Operations department has allowed for integrated ships expertise in all Campaign Operations Advice functions, which is linked consistently and continuously to the Technical Operations function, and a separate Crew Unit in the department, to broaden the involvement of ships' crew in other areas of the campaign work, including relevant land based work like supporting NROs in strategic development of ships' work. The International Finance department reorganisation

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accomplished better identification of responsibility over the Treasury Management and has secured stronger technical expertise while Legal addressed through its change process existing capacity issues and will have a better alignment of its structure and senior legal counsel oversight with their strategic domains.

Our People

Strategy

A new People Strategy was approved in 2018. It relies on three interlocking frames:

1. Build and reinforce the desired organisational culture: is solution oriented, celebrates diversity, ensures equity and inclusion, encourages learning, and anchors people to the purpose of the organisation.
2. Build and maintain the **sturdy fabric** of the organisation: with robust and transparent systems and processes that are built from our shared values and mission, that foster flexibility, resilience and high performance.
3. Continue to strengthen, adapt and evolve our skills and ways of working to meet the ambitions of the Framework.

Staffing

GPI employed a FTE average of 373 employees in 2018, not considering subsidiary Direct Dialogues Initiatives India (DDII) employees (2017: 374). DDII had an average of 253 employees (average 2017: 236), however total staff at year end was 156, the reduction being related to actions by government that made it impossible to pay salaries. In accordance with article 2:391 - 7 of Book 2 Civil Code the SMT of GPI has a male / female ratio (25% / 75%) weighted towards women.

The more detailed breakdown of staff numbers, including staff employed directly by GPI, staff employed in DDII, international staff in a GPI role employed through NROs and Marine staff is as follows:

Average (FYE)	2018	2017
GPI Amsterdam	135	139
GPI staff based in NROs	144	135
Marine (ships' crew)	94	100
Subtotal w/o DDII	373	374
DDII	253	236
Total	626	610

Overview of People focused activities:

Responding to areas of improvement identified, for 2018, the People & Culture priorities were the introduction of the HR self-service (achieved); overhaul our performance review system to focus on development of staff along with a structured L&D programme (achieved), to review the pay and grading system (postponed to 2019), and to improve HR metrics (ongoing). We also continued to support organisational change processes within GPI (while these change processes were achieved it is clear that we have improvements to make in the way this is done to shorten the length of the process and reduce extended periods of uncertainty). For the global network, in 2018 we completed the development of almost all parts of the global learning and development programme (a few last pieces are still in development) – focused on countries prioritized by the programmatic strategy.

One of our top priorities driven by #metoo was to improve the Integrity approach across the global Greenpeace network, particularly with respect to improving the ability to prevent, but also investigate and conclude on complaints of sexual harassment, harassment and bullying across the network. In 2018 we finalised the implementation of the Integrity system and team at Greenpeace International, which included training for all GPI staff members. An intense effort in the second half of 2018 has meant that an integrity system is up and running in almost every NRO, and we have made progress towards ensuring that all parts of the global Greenpeace network are taking steps to assess and develop Diversity and Inclusion.

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We were able to complete several key recruitments: at the SMT level, the International Programme Director and the International Finance Director -both from southern countries, thus effectively impacting the global perspective of the Senior Management Team; amongst others, we also successfully temporarily covered the Head of Global HR, the Integrity team, and fully recruited the Learning & Development team. At GPI People & Culture, we are now more strongly positioned to deliver on our strategy.

Impact

2018 saw several success stories related to Greenpeace campaigning activities across the world. Some of these inspiring achievements are:

Brazil: [Total denied permit to drill in Amazon Reef](#)

For nearly two years Greenpeace organisations have worked alongside scientists and locals to highlight the risks that oil drilling would bring to the Amazon Reef. This work proved that the impacted ecosystem could be at least six times bigger than Total's environmental impact assessment (EIA) indicated. After two years of pressure and more than two million signatures worldwide on our Defend the Amazon Reefs petition, the Brazilian environmental agency [IBAMA denied the license for Total to drill near the Brazilian portion of the Amazon Reefs](#). This decision is final and Total cannot appeal it.

Indonesia: [Wilmar International commits to detailed action plan to end dirty palm oil](#)

After an intensive global campaign by various Greenpeace organisations aiming to end deforestation for palm oil across the supply chain of the biggest household brands and palm oil buyers in the world. [Wilmar International published a detailed action plan](#) to map and monitor all of its suppliers. If implemented, this would put the palm oil giant, which supplies 40% of the world's palm oil, one step closer to finally eliminating deforestation from its supply chain and would have a major impact on the rest of the industry.

UK and Antarctica: [Majority of Krill Industry support Antarctic Protection and largest UK retailer drops products](#)

A Greenpeace campaign to protect the Antarctic Ocean, backed by 1.7 million people globally, was given the unprecedented support of the vast majority of krill fishing companies operating in Antarctic waters, including 'buffer zones' around breeding colonies of penguins, to protect Antarctic wildlife. The companies have also pledged to support the scientific and political process for the creation of a network of large-scale marine protected areas in the Antarctic, including areas in which they currently operate.

This major announcement from a group of the largest krill fishing companies will see nearly all krill companies operating in the Antarctic voluntarily stop fishing in huge areas around the Antarctic Peninsula (represent 85% of the krill fishing industry in the Antarctic). Their decision came after one of the largest krill oil retailers in the UK, the health food chain Holland & Barrett, agreed to drop all krill oil products following Greenpeace International's Licence to Krill report documenting the environmental risks to the Antarctic Ocean - plus stickering from local groups in stores and 45,000 emails in 24 hours.

[EU: Law recognises the role of citizens in the energy transition through Renewable Energy Directive for 2020-2030](#)

After 3 years of campaigning with a partner coalition, for the first time, EU law recognises the role of citizens in the energy transition and establishes measures to support and protect citizens' and cooperatives' rights to produce and sell renewable energy. That means over 500 million people can become more active in the fight for 100% renewables and challenge the role of Europe's utilities that (mostly) seek to slow down the transition, thereby changing the power dynamics in European energy markets.

New Zealand: [Government bans new offshore oil and gas exploration, upholds decision on seabed mining](#)

After more than 7 years of campaigning by Greenpeace New Zealand alongside local community and indigenous Maori groups, the New Zealand government banned all new offshore oil and gas explorations in a move towards a zero carbon economy.

This huge win for people power means that the fourth-largest exclusive economic zone (EEZ) on the planet — covering more than 4 million square kilometres — [is now off limits for any new fossil fuel exploitation](#). The High Court in New Zealand also upheld an appeal by Greenpeace New Zealand and allies against seabed mining in South Taranaki Bight. The court battle ran for more than five years and involved Greenpeace and other ally groups who lodged an appeal against the Environmental Protection Agency's granting of a consent to Trans Tasman Resources (TTR) to mine the seabed in the South Taranaki Bight. Which we won. This was one of the precedent-setting court cases for seabed mining - nationally and internationally - and the announcement this week gets us closer to stopping this project in its tracks.

Risk Management

Risk-taking is in Greenpeace's DNA: we use non-violent creative confrontation in many forms and shapes as a strategy to achieve positive change. Without taking risks it is unlikely we would change power dynamics and win campaigns. However, while we have a high risk tolerance threshold for legal risk derived from our campaigning activities, we take risks smartly. Furthermore, we aim for maximum compliance in all other areas (finance, tax, employment law, health & safety, factual accuracy, scientific accuracy) in order to be able to take risks where we want to.

Approach to Risk Management

The Board, on recommendation of management, informed by views of the NROs, agrees on the high level strategy for global Greenpeace. The IEDs and Strategy and Management Team (SMT) then decide on the strategy for Greenpeace International. This includes identifying the strategic risks and determining how to manage them. The defined strategy and identified risks cascade into and are expanded upon in organisational unit and department strategies.

Each Director of a department is assigned responsibility for relevant risk, which helps ensure clear accountability for mitigating actions. Over the year IEDs and SMT discuss the most significant risks and ensure mitigation actions are reviewed and implemented. The Board Audit Committee is informed periodically about the major risks as well, to issue steer as to appetite and mitigation.

GPI has an Internal Audit function which evaluates essential processes and controls and provides workable recommendations for enhancing policies and procedures. Internal audit activities are conducted based on a systematic, risk-based approach. They encompass both GPI and NROs. NROs are regularly audited based on strategic prioritisation. In addition, NROs can also request an audit review for specific purposes.

Control Framework

Greenpeace International follows a top-down approach whereby the Board identifies the major risks that could affect the organisation's operations and the integrity and quality of the organisation's financial reporting.

The internal controls are contained in the various policies that articulate our Internal Control framework.

In 2018, we identified that our delegation of financial authority needed updating and that it would be advisable to strengthen our approach to integrated risk management to ensure holistic oversight. This will be addressed in 2019.

In 2019 we will also be launching a project to reassess our risk management practices. The lessons learned over the last few years as to the implications of working under a distributed operating model are significant and we want to incorporate our learning in the way we monitor and manage risk.

The key features of our internal control system are:

- Minimized operating risk by ensuring that the appropriate infrastructure, controls, policies, systems and people are in place throughout Greenpeace International
- Clear delegation of authority and a Procurement system that prevents payments without formal authorization

- Reporting and analysis against forecast and budget
- Treasury operations that manage cash balances and exposure to FX risk
- Ensure all GPI staff are aware of and trained on the Code of Conduct

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Risk Overview

Category	Description	Appetite	Impact	Likelihood
Strategic	Closing civic space and related adverse regulation	+	+++	++
	Increased corporate use of money for political influence	+	++	+++
	Trust issues in Not for Profits	+	++	++
	Reputational risk	+	+++	+
Operational	Decreased funding from Greenpeace National & Regional Organisations	+	+++	+
	Inability to attract, develop and retain talent	+	++	+
Legal & compliance	Legal action by entities impacted by our Non-violent Direct Actions	+++	+++	++
	Legal action initiated by entities implicated in our Publications and Communications	+++	+++	+++
	Inability to monitor and ensure compliance at a global level due to resourcing	++	++	++
Financial	Events that might change our tax status	+	++	++
	Regulatory constraints on cashflows across countries	+	++	+++
	Unfavorable movements in foreign currencies	++	++	+++

Materialized Risks

2018 was a year in which the negative trends in terms of likelihood of risk occurrence for Greenpeace International were not alleviated.

Strategic

Severe impact resulting from restrictions on civic space continued to present challenges to operations for several NROs.

Legal

Several ongoing cases, mostly related to publications, are still unresolved. Our expectation is that they will proceed positively as most are suits intended to divert our resources with low likelihood of a negative outcome for Greenpeace International.

Financial

Regulation that imposes high costs on fund transfers continues to hinder our ability to move funds from Greenpeace Andino and Greenpeace Mediterranean amongst others, which has a negative impact on our liquidity position. We are actively working on articulating mitigation strategies with the advice of specialists. In parallel, we maintained tight monitoring and forecasting of cashflows, thus comfortably managing the risk. In 2019 we will focus on implementing alternative mechanisms to access restricted funds and we will implement measures to improve the timing of our inflows from non-affected NROs.

KEY

+ **Low**
 ++ **Medium**
 +++ **High**

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Strategic risks to the global Greenpeace network

Strategic risks are those that jeopardize the ability of the Greenpeace network to implement its campaigns and actions. These are mostly external risks related to the political, regulatory and social context in the places where we work. Usually these are risks, that while Greenpeace tries to influence through its work, it has no control over. So mitigation strategies are articulated as to how to best defend itself from their impact.

Closing civic space

Governments whom we are challenging are increasingly influenced by corporates who do not want legislation, scrutiny or change to interfere with their activities.

The governments that feel threatened by Greenpeace's campaigns and/or coerced by the private sector, are imposing restrictions e.g. on our ability to engage with donors as well as enforcing administrative actions to impact our ability to operate locally.

What are we doing about it:

We support NROs so they can ensure compliance to the highest standards for their offices at risk, in order for them to find themselves resilient when and where democratic space is shrinking. Where possible, we support the use of the freedom of association human rights framework.

Increased use of money for political influence

The ability of powerful corporations to buy political power or abuse the judicial system to shut down criticism is a threat to democracy. This includes SLAPP suits (Strategic Lawsuits Against Public Participation) against public watchdogs such as Greenpeace, which are intended to censor, intimidate, and silence dissent, by burdening us with a resource draining but meritless legal defense until we abandon our campaigns.

What are we doing about it:

Greenpeace globally addresses these risks by:

- preserving Greenpeace's independence through not raising funds from corporates or governments;
- building resilience by embracing principles of good journalism in our communications;
- having a solid legal strategy, including a vocal response, to any SLAPPs.

Trust issues in Not for Profits

Staff misbehavior, including sexual abuse scandals, are affecting some of the most trusted names in the NGO sector.

What are we doing about it:

GPI has taken significant steps in recent years to enhance the safety of our shared working environment, including:

- by the end of 2018, we had fully implemented our Integrity System and team;
- an independent Harassment and Complaints Committee to investigate and deal with all claims of harassment, sexual or otherwise;
- a Whistleblower policy with a designated Board member appointed as the contact point;
- trained all staff on the Code of Conduct under the heading of "Integrity and Respect".

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

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Operational risks to GPI

Business/operational risks relate to our normal activities, arising from structure, systems, people, or processes and which could impact our ability to reach our organisational objectives.

Funding from Greenpeace National & Regional organisations

GPI receives more than 95% of its funding from contributions made by Greenpeace NROs based on an agreed model. The main operational risk related to the financing model is the potential change in NRO financial conditions that might impact their ability to pay their contributions, which would significantly affect GPI's income levels and ability to deliver on its programmatic strategy (additional risks related to GPI's income are discussed in the financial section).

As mentioned above, a proposal for a new Contribution Model will be discussed in 2019, which, if and when adopted, could have some impact on the levels of income that GPI receives. We foresee this risk to be low as the steer is to minimize impact on contribution levels from NROs.

What are we doing about it:

The Greenpeace contribution model mitigates much of the financing risk of GPI's income, as it is based on known and agreed prior year income across NROs. This provides us with reasonable certainty of amounts due. Nonetheless, risk is further mitigated and managed as follows:

1. GPI's financial plans and budgets are based on a cash model taking into account the likelihood of receiving funds. This enables us to quickly react if there are issues with the liquidity position.
2. Ongoing focus on funding agreements that clearly establish commitment of funds.

Inability to attract, develop and retain talent

The GPI Global Talent Acquisition working group has been launched in 2018. Its objective and scope is to establish a set of Global Talent Acquisition Principles in order to support our Diversity & Inclusion goals and to ensure a common experience for candidates worldwide for GPI positions. It has been also established a Steering Committee which will review the output from the working group and give strategic advice and guidance on the project as a whole.

Legal and Compliance risks

Legal action initiated by entities implicated in campaigning and advocacy activities

Greenpeace International – as well as NROs - faces significant litigation risk from two sources:

- Non-violent direct actions (NVDA)
- Advocacy work through publication and communication activities

Greenpeace has a high tolerance threshold for this type of risk as it is at the core of our mission and strategy.

At present, both Greenpeace International and NROs are defendants in high profile legal cases (in Canada, the US and India). Greenpeace USA and Stichting Greenpeace Council are currently defending two SLAPP lawsuits in the United States which are designed to intimidate Greenpeace and the wider environmental movement and to prevent us from exposing the abuses of corporate power that lead to environmental degradation and massive biodiversity loss.

What are we doing about it:

In general, Greenpeace activities are conducted in compliance with applicable law and human rights standards, particularly the right to free speech and assembly. However, given the nature of our actions, this is only the starting point of our strong mitigation strategy.

This strategy includes tight guidance that provides essential principles and protocols to ensure a coherent approach to action planning and risk-taking across the global Greenpeace network.

GPI has adopted standards for risk assessments, sign-off mechanisms, and addresses informed consent, duty of care/security, and post-action responsibility. These also refer to those exceptional cases where there is an absence of established practices, ensuring a common response to novel dilemmas and unanticipated crises. The risk assessment will focus on context analysis, risk identification, risk severity, risk benefit analysis, mitigation and capacity for consequences.

Similar standards are under development for our Publications and Communications activities.

Compliance

As non-compliance is generally undesired because it triggers undesired risks, GPI actively pursues compliance. Internal audit provides good insight, also regarding compliance within NROs.

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Financial risks**Events that might change our tax status**

GPI's main tax risk concerns Value Added Tax (VAT). The tax authorities consider that although the organisation is a VAT taxable entity, its activities are generally not relevant for VAT purposes. However, changes in Dutch VAT legislation effective 1 January 2019, will impact the taxation status of the Greenpeace vessels operated by GPI, which could impact on our VAT expenses. We are working with our external Tax lawyers on this matter.

What are we doing about it:

In 2018 GPI undertook a VAT review in conjunction with our external tax advisors. Our overall VAT position was re-confirmed with the Dutch Tax Authorities. We are engaging expert advice on the ship related VAT issues. In parallel, we are liaising with other NGOs affected by the authorities' announced policy change regarding Dutch flagged vessels used by NGOs.

Regulatory constraints on cashflows across countries

As previously mentioned, GPI receives more than 95% of its funding from contributions made by Greenpeace NROs, based on an agreed model. A persistent risk that has affected GPI in the last few years is the impact of specific tax and legal regulations that tie what tax exempt contributions can be spent on, making it either hard or impossible to transfer funds from the fundraising NRO to GPI (or having to pay very high tax rates).

What are we doing about it:

Acknowledging the importance of tax compliance, we are actively working on establishing methods for legally releasing funding flows indirectly, which include reviewing our global procurement approach and, seeking external expert advice the, commissioning of high value assets in countries with cashflow restrictions, etc. We also have ensured that funding agreements between GPI and NROs clearly establish the commitment of funds, even when these restrictions apply.

Unfavorable movements in foreign currencies

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. Thus, through the contribution model set up, GPI absorbs the FX risk for the network in regards to transfer of funds across NROs. As a result, GPI's main financial risk relates to foreign exchange fluctuations. The FX-impact in the GPI annual statements for 2018 was EUR 1.5M. Due to the uncertainty of the timing and direction of our cash flows, the cost of financial instruments that would deal with this uncertainty and the lack of liquidity in some of the markets we are exposed to, we do not use foreign exchange derivatives to hedge currency risks.

What are we doing about it:

Our strategy is to maintain reserves to cover any potential losses based on the estimated risk for the operations in the following budget year. The potential loss is calculated by external advisors who maintain a statistical model that

assesses the FX risks GPI faces, calculated on a 12 month rolling forecast. A designated reserve in equity is created in the fund balance.

With a confidence of 97.5% on the volatility of the used foreign currencies the possible known impact for 2019 is EUR 2.3M.

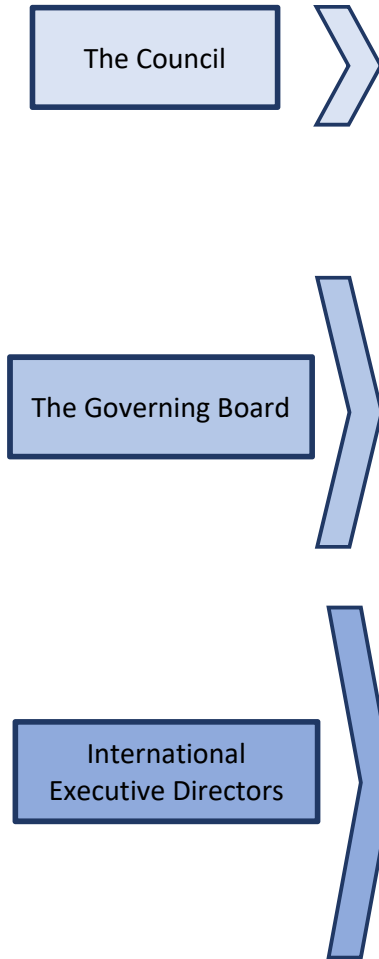
The restructure of the Finance team has created a clear Treasury function role, which is expected to proactively articulate FX risk management strategies (without the use of derivatives) that can help mitigate this risk (such as cash flow matching).

In 2019 we will have a newly defined Treasury function and will focus on determining whether the model could serve as a baseline to more actively manage the risk by better matching cash flows across NROs depending on currency correlations. The organisation maintains its position to not use derivatives to hedge the risk.

GOVERNANCE

Greenpeace’s governance system reflects its mission, its commitment to transparent decision-making, internationalism and effective leadership informed by a wide diversity of views.

The constitutional decision-making bodies in Greenpeace International are:



The Council is comprised of representatives (Trustees) from each of the Greenpeace National and Regional Organisations (NROs). The Council elects GPI International Board members, who in turn elect a Chair.

The Governing Board’s 7 members are elected for a three-year period by Council (except for the Board Chair who is elected by other Board members). All Board members can be re-elected; in practice the number of consecutive terms of office has consistently been limited to two. The Board has a balanced gender ratio (50% / 50%): meeting the requirement that at least 30% of the members of the Board are male or female.

GPI is managed by two International Executive Directors (IED) who are responsible for the day-to-day management of Greenpeace International. They are supported by the Strategy and Management Team (SMT) consisting of key department directors. Together they form GPI management, which has a male / female ratio (25% / 75%) weighted towards women.

The Board of the Stichting Greenpeace Council is responsible for oversight of the operations and activities of GPI including the appointment and oversight of the Greenpeace International Executive Directors. The Board’s mandate and tasks are laid down in statutes and rules of procedure. Candidates for the Board are recruited on the basis of agreed profiles by the Board Search Committee of the Council.

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Financial Information

Overview

The most significant issues that impacted GPI's financial performance in 2018 are:

- Under the context of #Metoo and the non-profit sector's safeguarding issues, GPI devoted significant resources in its Integrity System and team.
- Uncertainty of VAT treatment of staff salary recharges to NROs for dispersed staff gave way to a thorough external tax review. Our tax exempt status was reconfirmed although as per advice received, we have implemented actions to ensure that such status is not compromised (i.e. changes in MoU language, direct invoicing from IT vendors to NROs, etc.).
- In 2018 we decided to increase our bad debt provision to account for ongoing constraints in transferring contribution funds to GPI from some of the NROs (mainly GP Andino and GP Med).
- GPI has decided to propose to change the global network's 'contribution model', i.e. the system and model where NROs pay a portion of their local income to GPI, both in order to support NROs with high strategic value in their environmental campaigns, as well as to finance GPI as the coordinating and enabling organisation. This new system will be proposed and decided upon in June 2019.
- GPI will potentially be embarking on a significant investment project. Our ship "Esperanza" will be taken out of service by 2021 (projected). As this would be a multi million euro investment, a project has been launched to decide if and how the ship should be replaced. It is foreseen that in the event we decide to replace the vessel, it will be financed through fundraising.

Turnover

Total turnover for 2018 increased by EUR 1,380K vs. 2017 as follows:

(all amounts are EUR 000s)

	<u>2018</u>	<u>2017</u>
Contribution from Greenpeace Organisations	80,006	81,258
Other income	<u>3,934</u>	<u>1,302</u>
	83,940	82,560

The increase is due to improved underlying performance in NRO contributions that was however partially offset by exchange rate fluctuations losses. The most significant impact was related to the devaluation of the Argentinian peso which affected the euro value of accounts receivable from Greenpeace Andino (which has strict restrictions to transfer funds out of Argentina).

Solvency

The financial position of GPI remains strong with an equity of EUR 38,316K (up vs. 2017 - EUR 36,958K). The solvency of GPI is shown in the table below:

(all amounts EUR 000s)

	<u>2018</u>		<u>2017</u>	
Fund balance	38,316	68.4%	36,958	63.8%
Total balance	55,994		57,905	

The net working capital (current assets minus current liabilities, excluding NRO positions) remains strong at EUR 12,740K (2017: EUR 10,859K).

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Net result

The net result for 2018 is a surplus of EUR 1,456K (2017: EUR 43K surplus), an increase of EUR 1,413K. The increase in the net result of 2018 compared to the result in 2017 can be analysed as follows:

(all amounts in EUR '000s)

Income:	
- Decrease in contribution	(1,252)
- Increase in other income (major donors)	2,632
Total increase in income (1.6%)	1,380
Expenditure	
<i>Increase in operational expenditure:</i>	
- Increase in campaign support expenditure	(1,011)
<i>Decrease in operational expenditure:</i>	
- Decrease in support to Greenpeace Organisations	249
- Decrease in campaign expenditure	557
- Decrease in global engagement & fundraising	36
- Decrease in organisational support costs	122
	(47)
Increase in Operational Result	1,333
Change in Share of Result in Participating interests and Financial Result	80
Increase of the net result in 2018	1,413

Grants and other support to National and Regional Organisations of EUR 32,935K (2017 EUR 33,184K) fell mainly due to the strengthening of the Euro.

Foreign Exchange

(all amounts are EUR 000s)

	2018	2017
Income		
- Unrealised	179	300
- Realised	-	2
	<u>179</u>	<u>302</u>
Expenses		
- Unrealised	1,448	1,319
- Realised	264	574
	<u>1,712</u>	<u>1,893</u>
Total	<u>(1,533)</u>	<u>(1,591)</u>

In 2018 Greenpeace International had a foreign exchange result of loss of EUR 1,533K (2017: EUR 1,591K loss).

Of the total loss, 85% is related to the revaluation of balances (debtors, creditors and bank balances). In particular, the revaluation of the accounts receivable balance we have with Greenpeace Andino represented significant impact due to the devaluation of the Argentinian peso (89% in the course of 2018). The remainder of the loss, 15%, was the realized loss, i.e. losses due to differences between the budget rate at which expenditure was originally budgeted and the market rates at which cash transfers occurred.

In both 2018 and 2017 no foreign exchange hedging contracts were in place.

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Liquidity and Cash Flow

GPI's cash position has increased by EUR 904K from EUR 13,552K to EUR 14,578K, resulting in a liquidity ratio, (current ratio) excluding NRO positions, of 335% (2017: 290%). 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.

(all amounts in EUR '000s)

	2018	2017	Movement
Current assets:			
- Bank and cash in hand	14,578	13,552	1,026
- Other current assets	3,594	3,035	559
	<u>18,172</u>	<u>16,586</u>	<u>1,585</u>
Current liabilities	<u>5,432</u>	<u>5,727</u>	<u>(295)</u>
Net working capital	<u>12,740</u>	<u>10,859</u>	<u>1,882</u>
Liquidity Ratio			
Current Assets / Current Liabilities	335%	290%	45%

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

Net position with Greenpeace organisations

Due from	10,831	10,997	(166)
Allowance against loans and receivables	<u>(2,192)</u>	<u>(1,266)</u>	<u>(926)</u>
Due from net of allowance	8,639	9,731	(1,092)
Due to	<u>4,996</u>	<u>6,088</u>	<u>(1,092)</u>
	<u>3,643</u>	<u>3,643</u>	<u>(0)</u>

The total increase of the Net working capital during 2018 (EUR 1,882K) is mainly caused by the increase in the amount available in Bank and cash in hand. This increase in the bank position can be partly explained by payment of outstanding balances from NROs. As well, Other current assets increased due to granting of new FIF loans.

The increase in the Allowance against loans and receivables (EUR 926K) is related to the likelihood of non-collection persisting particularly in the case of GP Andino, GP Mediterranean and GP Mexico. Additionally, a provision related to the FIF Loan balance at year end 2017 was released since repayment was made in 2018.

GPI monitors its cash position by using successive quarterly cash flow forecasts. The management ensures that the cash position is sufficient to meet the organisation's financial obligations towards Greenpeace NROs and other creditors.

However, in order to strengthen further our liquidity position overall, we are working with the International Programme Department to ensure that we get the necessary funding agreements with NROs as early in the year as possible to enable earlier flow of funds into GPI. Furthermore, a cross functional team is reviewing and proposing how we can more efficiently shift funds in different locations to where they are needed.

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

There are no credit lines available with financial institutions

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Budget ceiling

The Trustees approve the annual budget ceiling for the cash movement / expenditure in the year. For 2018 the budget ceiling and the actuals are shown in the following table:

(all amounts in EUR '000s)	<u>Budget</u>	<u>Actuals</u>
Total expenditure	82,711	80,839
Other cash outflows		
- Less depreciation	(3,147)	(2,980)
- EU Unit contributions	2,100	1,925
- Repayment Ships' loans	1,484	1,458
- Capital expenditure	1,217	1,208
- FIF Loans advanced	1,472	1,850
	<u>3,126</u>	<u>3,461</u>
Expenditure Ceiling	<u>85,837</u>	<u>84,300</u>

The difference between the budget and the actuals is mainly due to lower fund flow to NROs than expected, appreciation of the euro vs. other currencies, planned savings and delays in execution due to staff turnover.

Other information

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

Pensions

GPI operates a defined contribution pension scheme for Amsterdam staff, whereby we supplement employee pension contributions to the collective pension scheme. This means that we have no other obligations in respect of pension provisions for Amsterdam office staff. NRO-based staff in a Greenpeace International role have pension arrangements agreed with their NRO. Because of the international nature of our marine staff (ships' crew) we have no pension scheme provision for those staff members, but this has been discounted in the collective bargaining agreement with the union, after a remuneration benchmark exercise in 2002.

Environmental and personnel-related information

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

Information regarding social aspects of operating the organisation

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

As most of GPI's activities involve the operation of ships, deployment of staff and providing grants to Greenpeace NROs for campaigns, we do not have a global supply chain and stakeholders there.

Information Supply and Computerization

Greenpeace as a global network is funded by hundreds of thousands of supporters who contribute to their independent local NRO. These NROs in turn fund GPI through an agreed contribution model. GPI has a small number of individual donors. At GPI, we have implemented appropriate technical and organisational measures to secure personal data against loss or against any form of unlawful processing. Our donation pages are secured using Secure Sockets Layer (SSL), a security protocol that provides communications privacy over the Internet in a way that is designed to prevent eavesdropping, tampering, or message forgery. Only employees who need to access information about supporters and website visitors to perform their work are granted access to this personal identifiable information. GPI does not undertake direct marketing activities, other than the online sale of photographic and video images through Greenpeace Licensing BV.

Financial and non-financial performance indicators

GPI's mission is to coordinate strategic direction for the network, and to enable NROs to campaign successfully and raise funds to do so. Unlike most NGOs, GPI itself does not normally seek to raise money from supporters. This means that fundraising and engagement costs are not incurred in order to raise funds directly for GPI. Likewise, campaign costs include: the cost of grants that encourage NROs to run integrated campaigns on globally relevant issues; the cost of campaign coordination teams, including subject experts and research teams; the costs of running three ships which assist NROs in marine and polar campaigns; the costs of experts to support NRO research and investigations; and, the costs of grants to provide

resources to establish NROs in key environmental battlegrounds. This approach means that typical NGO reporting ratios have little meaning ***Learning and Development***

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

Research and Development

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

Outlook

In general, the main financial risk factors for GPI are:

1. The uncertainty of fundraising income of NROs: the NRO funding outlook is moderately negative. Fundraising is strong in GP Andino, GP Germany and GP UK and GP East Asia. However, the weak funding performance in Africa, MENA (both anticipated and thus, planned for) and Asia Pacific persists—A major element of uncertainty will arise in 2019 from GP US, given the impact that the presidential campaign might have on their income stream, and thus, their ability to pay their contribution.
2. In the next two years, the review of the contribution model mechanism will be an uncertainty factor for GPI. While the steer is that said model should ensure the same level of outflows from the NROs -and thus, same level of income for GPI-, the broad range of issues that need to be addressed in the review process might result in variations on the resulting total contribution for GPI. However, any impact will not be felt until 2020 at the earliest.
3. More immediately, the highest risk arises from the pervasive and increasing national restrictions for transferring funds outside of specific countries, particularly Greenpeace Andino and Greenpeace Mediterranean, which seriously impacts GPI cashflow. Additionally, the legal requirements for the US to release funding are becoming more cumbersome under the new political climate and Germany's requirements continue to be tight. A specific project has been launched to articulate potential solutions. As well, the mandate of the Funding team will be reviewed to address the current complexity of the funding context. But the increasingly complex environment will certainly demand a shift in the decision making process of the Programme/NRO Development Unit Heads and the way they coordinate with International Finance.
4. Foreign exchange fluctuations keep negatively impacting the financial results of GPI, offsetting 60% of additional income received. Uncertainty on timing of cash flows and policies on the use of derivatives limits the alternatives for active hedging of the overall position, however, structural changes in the GPI Finance Department are aimed at allowing increased focus on this matter.

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Report of the Governing Board



AYESHA IMAM
Board Chair

Appointed: April 2017

Former positions: CEO of BAOBAB for Women's Human Rights in Nigeria; Head of the Culture, Gender and Human Rights Department of UNFPA; lecturer and researcher at institutes in Nigeria, the U.K., Canada and Senegal. Has served on the boards of the Women Human Rights Defenders International Coalition (WHRDIC); the Women's Environmental Development Organization (WEDO); the Council for the Development of Economic and Social Research in Africa (CODESRIA) amongst others. Ayesha was a member of the GPI Board for seven years (2006-2013).

Ayesha has a doctorate in social anthropology from the University of Sussex (UK) and a Master's degree in sociology from Ahmadu Bello University (Nigeria).

Term ends: April 2020



ED HARRINGTON
Treasurer (outgoing)

Appointed: AGM 2012, re-elected June 2015/18

Current position: adjunct professor at the University of San Francisco, consultant on government finance issues and serves on various non-profit boards.

Previous positions: General Manager of the San Francisco Public Utilities Commission (SFPUC). Controller for the City and County of San Francisco Served as Chair of the Water Utility Climate Alliance. Member of the Financial Accounting Foundation. Board member of the Government Finance Officers Association of the United States and Canada.

Term ends: AGM 2019



SUE COOPER
Treasurer (incoming)

Appointed: Sue joined the Board of Greenpeace International in August 2018 and took the role of treasurer from January 2019.

Current position: semi-retired accountant and registered auditor, specialising in the charity and not-for-profit sector, a fellow of the Association of Chartered Certified Accountants and holds the Diploma in Charity Accounting issued by the Institute of Chartered Accountants (ICAEW).

Previous positions: principal at the accountancy firm Slade and Cooper in Manchester, England. Prior to her career as an accountant, Sue worked in the cultural sector. Served on the board of Greenpeace UK for eleven years, with over five years as the Board Chair.

Term ends: AGM 2021



ATHENA RONQUILLO-BALLESTEROS

Appointed: AGM 2014, re-elected June 2017

Current position: Athena leads the development and implementation of the Asia Climate Finance strategy for the Growald Family Fund organization.

Previous positions: Director of World Resource Institute's Sustainable. She worked actively on climate policy, sustainable finance and clean energy in China, India, Philippines, Indonesia, Thailand and Japan. Long-time policy advisor to the Philippine government.

Serves on the board of the Institute for Climate and Sustainable Cities, International Rivers and Greenpeace International.

Stepped down: Feb. 2019

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**MICHAEL HAMMER**

Appointed: Nov. 2014, re-elected AGM 2018

Current position: Global Development Director at World Animal Protection

Previous positions: Director of ROCsalt, a research and consultancy network specialising in policy and reform of international organisations. Director of not for profit organisational development consultancy group INTRAC, Head of the Global Governance research group of One World Trust, West Africa Programme Director for peace building organization Conciliation Resources, West Africa Programme Director and Head of Office of the Secretary General for Amnesty International.

Has served on the boards of BOND, Greenpeace Germany and Greenpeace International Council, sustainability and regional planning for Institut Raum & Energie..

Term ends: AGM 2021

**THULI MAKAMA**

Appointed: AGM 2013, re-elected June 2016

Current position: Advocate (Senior Counsel) of the High Court of Swaziland and Member of the Law Society of Swaziland. Executive Director of Yonge Nawe Environmental Action Group.

Previous positions: Deputy Chair of the Open Society Initiative Southern Africa, Treasurer of IUCN World Conservation Union Eastern and Southern Africa board, Ombudsman of Friends of the Earth International, member of Coordinating Board of Friends of the Earth Africa, Trustee at groundWork - Friends of the Earth South Africa, Chair of the Coordinating Assembly of Non-Governmental Organisations in Swaziland, advisor to the Resident Coordinator of UN in Swaziland, the Law Society of Swaziland Judicial Crisis Committee, amongst others.

Term ends: AGM 2019.

**RAVI RAJAN**

Appointed: AGM 2015, re-elected AGM 2018

Current position: Professor of Environmental Studies at the University of California, Santa Cruz, **Previous positions:** Visiting Senior Fellow at The Energy and Resources Institute (TERI), New Delhi, and Visiting Professor at TERI University. Provost of College Eight at UC Santa Cruz. Served as Chair of the Outreach Committee of the American Society for Environmental History. Founding member of the editorial board of the journal, Environment and History. Presidency of the Board of Directors of Pesticide Action Network, North America (PANNA); board service for the International Media Project; membership of the city of Santa Cruz's Green Building Committee; and Charter Membership of The Indus Entrepreneurs (TiE), Silicon Valley.

Term ends: AGM 2021

**ANABELLA ROSEMBERG**

Appointed: AGM 2016

Current position: International Programme Director Greenpeace International

Stepped down: April 2018

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Role of the Governing Board

The Board of Stichting Greenpeace Council is responsible for oversight of the operations and activities of GPI including the appointment and oversight of the International Executive Directors. The Board's mandate and tasks are laid down in statutes and rules of procedure.

In addition to oversight, the Board makes the final decisions on wide ranging strategic and campaign issues for Greenpeace International, based principally on recommendations from the International Executive Directors.

In 2018 Greenpeace International continued the work to implement The Framework, a ten year strategy to ensure that Greenpeace campaigns are most relevant to achieving a greener and more peaceful future. As part of its supervising role, the Board approved the 2017 Annual Report and Financial Statements, the 2019 Budget and Expenditure ceiling, and the Global Resource Plan for 2019 – 21 (GRP21). The Annual Report on Internal Audits was also discussed with the Board

Composition and functioning of the Governing Board

Candidates for the Board are proposed to Council on the basis of agreed profiles by the Board Search Committee of the Council of Stichting Greenpeace Council. The Council comprises representatives (Trustees) from each of the Greenpeace National and Regional Organisations (NROs). The Council elects GPI Board members, who in turn elect a Chair.

The Board had seven members in 2018 and was chaired by Ayesha Imam, who is the current Board Chair, with Sue Cooper as the Board Treasurer. The

term of the former Board Treasurer, Ed Harrington comes to an end at the AGM in July 2019. Sue Cooper was elected to the Board in July 2018 and after a handover, formally stepped in to the Board Treasurer role in January 2019. The other members of the Board in 2018 were Anabella Roseberg (who stepped down in April 2018), Athena Ronquillo-Ballesteros (who stepped down in February 2019), Michael Hammer, Ravi Rajan and Thuli Makama, with Thuli Makama also leaving the Board at the 2019 AGM.

Activities

2018 was a very busy year. The Board met 9 times during 2018, with three in person meetings and six meetings conducted by video conference. Two of the face to face meetings were over a three day period, whereby half of day of these meetings were set aside for an IED and Board retreat, in order to discuss effective ways of working together. During these face to face meetings, the Board were presented with and discussed a wide range of topics from regular financial and legal oversight to planning and policy work such as the integrity programme which focuses on making Greenpeace a fair, safe and respectful place to work, as a value in itself, as well as in order to better effect Greenpeace's work and a major focus in 2018 of the #metoo and #heretoo movements.

The Board approved the Integrity Package, including the GPI Code of Conduct and Protocol for addressing complaints. The Board also encouraged and supported the initiatives to address these concerns not only at formal policy level but in the day-to-day organisational culture, such as staff forums.

The Board provided support for the IEDs on specific issues and also carried out the IED annual performance

review. In Board meetings and through the Board's "Buddy" relationships with the NRO Trustees, the Board further devoted time to understand and support the role of NROs in Greenpeace's global campaigning, strategic presence, social and financial mobilisation efforts.

There were two shorter half day face to face meetings before and after the AGM meeting, in order for the Board and IEDs to run through the AGM preparation and planning and post the meeting to ratify the Council's decisions and reflect on outcomes and discuss improvements.

The formal Board meetings are preceded by the Board Audit Committee meetings (see below).

Committees

The Board is informed by the International Executive Directors, other SMT members and the Works Council.

The Board is also receiving input from the Board Audit Committee (BAC), consisting of three members of the Board and three representatives from NRO boards, which prepares advice for the Board on the annual accounts, the budget, and the financial reports. The BAC also monitors and reports to the Board on the follow-up of issues raised in internal and external audits and recommendations in the external auditor's Management Letter.

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**Board Audit Committee
(BAC)****Role**

The BAC is responsible for informing and advising the Board of GPI Finances, with BAC meetings scheduled before every principal Board meeting to review the financial issues and documents that are presented to the Board. The BAC recommendations are discussed in detail at each Board meeting.

Composition

Board Audit Committee members at the beginning of 2018 were:

- Ed Harrington (Board member, Treasurer and BAC Chair)
- Thuli Makama (Board member)
- Anabella Rosemberg (Board member) Note: resigned from Board March 2018.
- Sue Cooper (GP UK Board Chair and Trustee)
- Alex Voigt (GP Germany Trustee)
Note: Last BAC meeting 14.05.2018

The Board Chair, Ayesha Imam, participated ex-officio at these BAC meetings.

Given the changes in BAC and Board membership, the GPI Board made a decision on how the BAC was re-constituted after the 2018 AGM and post July 2018, BAC members were as follows:

- Ed Harrington (Board member, Treasurer and BAC Chair to end of 2018)
- Sue Cooper (Board member)
- Ayesha Imam (Board Chair)
- Alain Arens (GP Belgium Trustee)
- Mel Asuncion (GP South East Asia Trustee)
- Wendy Reid (GP New Zealand Trustee)

Activities

The Board Audit Committee (BAC) met five times via video conference, each lasting from two to four hours.

The last 12 months of BAC activity has been focused on:

Budget
Financial Statements and external auditors
Cash Flow
GRP20
Financial policies
Internal Audit reviews
New Contribution Model

Closing remarks

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

Amsterdam, 28 June 2019

Governing Board:
A.M. Imam (Chair)
E. Harrington (Treasurer - Outgoing)
S. Cooper (Treasurer – incoming)
M.A. Hammer
T.B. Makama
S.R. Rajan

International Executive Directors:
J.L. Morgan
A.M. McDiarmid

Administrative details

Trustees during 2018 and as at date of approval of the report:

Africa - Emilia Siwingwa, Chair & (acting) Trustee

Andino - Martin Santos, Chair & Trustee

Australia/Pacific-Jim Falk, Chair & Trustee

Belgium- Alian Arens, Trustee

Brazil - Alexandre Mansure

Canada - Anna Crawford, Trustee and co-Chair

Central Eastern Europe - Pavel Antonov, Trustee

Czech Republic - Petr Hlobil, Trustee

East Asia - Santosh Pai Trustee and Chair

France Luxembourg – Thomas Bonduelle, Trustee

Germany - Susanne Rohs

Greece - Kostis Papaioannou, Chair and Trustee

India - Biswajit Mohanty

Italy - Patiriza Cuonzo Trustee

Japan - Yoko Aoki Chair & Trustee

Mediterranean - Rana Zincir Trustee

Mena - Hamza Hamouchene

Mexico - Marcelo Iñarra Chair & Trustee

Netherlands - Chris van Vlissingen, Chair & Trustee

New Zealand - Wendy Reid, Chair & Trustee

Nordic - Mads Knapp, Trustee

Russia - Dmitry Shishkin, Chair & Trustee

Southeast Asia - Melizel Asuncion, Trustee

Spain - Luigi Ceccaroni

Switzerland - Susanne Hochuli

UK - Andrew McParland, Chair & Trustee

USA - Karen Topakian, Chair & Trustee

Global Leadership Team

ED Greenpeace East Asia
Kontau Sze

ED Greenpeace France
Jean-Francois Julliard

ED Greenpeace Africa
Njeri Kabeberi

ED Greenpeace MENA
Zeina Alhadj

ED Greenpeace Brazil
Asensio Rodriguez

GPI Strategy and Management Team

International Executive Director (IED)
Bunny McDiarmid

International Executive Director (IED)
Jennifer Morgan

International Programme Director
Anabella Rosemberg

Global Engagement Director (GED)
Jan Oldfield

Greenpeace International People & Culture Director
(IP&CD) Janet Dalziell

Greenpeace International Development Director (IDD)
Mario Damato

Greenpeace International Finance Director (IFD)
Ulf Duddeck (interim for 2018)

Norma Torres (appointed January 2019)

International Operations Director (IOD)
Thijs Notenboom

Registered office:

Greenpeace International | Stichting Greenpeace Council

Ottho Heldringstraat 5, 1066 AZ Amsterdam The Netherlands

Desk: +31 20 718 2123

STICHTING GREENPEACE COUNCIL AND RELATED ENTITIES ANNUAL REPORT 2018

CONSOLIDATED FINANCIAL STATEMENTS

Financial Statements

Consolidated Balance Sheet as at 31 December 2018

(After result appropriation)

(all amounts in EUR 000s)	Note	<u>2018</u>	<u>2017</u>
ASSETS			
Fixed Assets			
Tangible Fixed Assets	5	23,690	25,462
Financial Fixed Asssts	6	<u>5,494</u>	<u>6,126</u>
Total Fixed Assets		29,184	31,588
Current Assets			
Due from Greenpeace Organisations	7	8,639	9,731
Loans	6	2,163	1,283
Other Assets and Prepayments	8	1,430	1,751
Cash and cash equivalents	9	14,578	<u>13,552</u>
Total current assets		26,810	26,317
Total Assets		<u>55,994</u>	<u>57,905</u>
FUND AND LIABILITIES			
Fund balance	10	38,316	36,958
Provisions	11	1,432	1,964
Long term liabilities	12	5,818	7,169
Current liabilities			
Accounts payable to vendors	13	957	1,335
Due to Greenpeace Organisations	7	4,996	6,088
Loans	12	1,346	1,347
Tax and social security	13	623	678
Other liabilities and accruals	13	<u>2,506</u>	<u>2,366</u>
Total current liabilities		10,428	11,814
Total Equity and liabilities		<u>55,994</u>	<u>57,905</u>

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Consolidated Statement of Income and Expenditure 2018

(all amounts in EUR 000s)

	Note	<u>2018</u>	<u>2017</u>
Income			
Contribution from Greenpeace Organisations	15	80,006	81,258
Other income	16	<u>3,934</u>	<u>1,302</u>
Total income		<u>83,940</u>	<u>82,560</u>
Expenditure			
Grants to Greenpeace Organisations	17	32,935	33,184
<i>Campaigns:</i>			
Oceans		1,406	1,347
Forests		1,883	2,149
Food for Life		1,454	1,493
Detox		1,355	1,245
Climate and Energy		2,485	2,732
Save the Arctic		<u>2,144</u>	<u>2,318</u>
		10,727	11,284
<i>Campaign Support:</i>			
Media and Communications	18	2,573	2,504
Marine Operations and Action Support		<u>13,316</u>	<u>12,374</u>
		15,889	14,878
Global Engagement and Fundraising		6,989	7,025
Organisational Support	19	14,299	14,421
Total expenditure		<u>80,839</u>	<u>80,792</u>
Surplus before Share of Result in Participating interests and Financial Result		3,101	1,768
Share of Result in Participating Interests		2	11
Financial Result	22	<u>(1,647)</u>	<u>(1,736)</u>
Surplus/(Deficit) after Share of Result in Participating interests and Financial Result		<u>1,456</u>	<u>43</u>

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Consolidated Statement of Changes in Equity for the year ended 31 December 2018

	<u>2018</u>	<u>2017</u>
(all amounts in EUR 000s)		
Balance as at 1 January	36,958	36,915
Add net result over the year	1,456	43
Translation differences on foreign operations	<u>(98)</u>	-
Total of items recognized directly in reserves	<u>(98)</u>	
Balance at 31 December	<u>38,316</u>	<u>36,958</u>

Consolidated statement of comprehensive income 2018

	<u>2018</u>	<u>2017</u>
(all amounts in EUR 000s)		
Net result	1,456	43
Items recognised directly in shareholders' equity:		
Foreign Currency Translation	<u>(98)</u>	-
Total result	<u>1,358</u>	<u>43</u>

Consolidated Cash Flow Statement for the year 2018

		<u>2018</u>	<u>2017</u>
(all amounts in EUR 000s)			
Net Result	Note	1,456	43
Adjusted for:			
- Depreciation	21	2,980	2,990
- Financial result excluding (un)realised foreign exchange differences	22	114	145
- Change in Long Term Provisions	11	(532)	(1,609)
- Changes in receivables	7.8	1,413	5,464
- Changes in current liabilities	7.13	<u>(1,386)</u>	940
Cashflow from Organisational Operations		<u>4,046</u>	<u>7,973</u>
Interest paid		<u>(141)</u>	<u>(141)</u>
Cashflow from Operating Activities		<u>3,905</u>	<u>7,832</u>
Investments in :			
- Tangible Fixed Assets	5	(1,406)	(4,679)
- New Loans Financial Fixed Assets	6	(1,493)	(1,151)
Repayments on Financial Fixed Assets		<u>1,436</u>	<u>327</u>
Cashflow from Investing Activities		<u>(1,463)</u>	<u>(5,503)</u>
Repayment of Long-term debt	12	<u>(1,324)</u>	<u>(1,324)</u>
Cashflow from Financing Activities		<u>(1,324)</u>	<u>(1,324)</u>
Net cashflow		<u>1,118</u>	<u>1,005</u>
Exchange rate and translation differences on cash and cash equivalents		<u>(92)</u>	<u>336</u>
Changes in Cash and Cash Equivalents		<u>1,026</u>	<u>1,342</u>
Cash at beginning of the year		13,552	12,210
Cash at end of the year		<u>14,578</u>	<u>13,552</u>
Net (decrease) / increase		<u>1,026</u>	<u>1,342</u>

Note: 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.

Notes to the Consolidated Financial Statements 2018

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, they are 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 coordination and enabling of Greenpeace campaigns worldwide, the management of the Organisation's assets and the rendering of support to Greenpeace National and Regional Organisations in their development of campaigns.

Financial Reporting period

These financial statements cover the year 2018, which ended at the balance sheet date of 31 December 2018.

Basis of preparation

The financial statements have been prepared in accordance with Title 9, Book 2 of the Dutch Civil Code and International Financial Reporting Standards for Small and Medium Sized Entities (IFRS SMEs). The 2015 Amendments to the IFRS for SMEs became effective 1 January 2017.

The accounting policies applied for measuring assets and liabilities and the

determination of result are based on the historical cost convention, unless otherwise stated in the further principles.

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

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

Going concern

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

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2. ACCOUNTING POLICIES**General**

Assets and liabilities are measured at historical value, unless otherwise stated in the further principles.

An asset is recognised in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. A liability is recognised in the balance sheet when it is expected that the settlement of an existing obligation will result in an outflow of resources embodying economic benefits and the amount of the obligation can be measured reliably.

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

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

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

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

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

Use of estimates

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

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

- Note 7 – Due from Greenpeace National and Regional Organisations;
- Note 11 – Provisions

Consolidation principles**Consolidation scope**

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

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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 summarized as follows:

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

Consolidation method

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

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

Principles for the translation of foreign currency

Transactions in foreign currencies

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

¹ Direct Dialogue Initiatives India Private Limited is a company incorporated on 19th October 2016 as a private limited company under Indian law and is engaged in the activities of providing fundraising,

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

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

Foreign operations

The assets and liabilities that are part of the net investment in a foreign operation are translated into euros at the exchange rate prevailing at the balance sheet date. The revenues and expenses of such a foreign operation are translated into euros at the exchange rate on the transaction date. Currency translation differences will be recognised in the translation reserve within equity. When a foreign operation is fully or partially sold, the corresponding cumulative amount is transferred from the translation reserve to the profit and loss account

Financial instruments

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

Financial assets and liabilities are recognized in the balance sheet at the moment that the contractual risks or rewards with respect to that financial instrument originate. Financial instruments are derecognized if a transaction results in a considerable part of

marketing and other associated back end services to various Organisations in the environmental and social justice sector.

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the contractual risks or rewards with respect to that financial instrument being transferred to a third party.

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

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

Loans granted and other receivables

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

Long-term and current liabilities and other financial commitments

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

Impairment of financial assets

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

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

The entity considers evidence of impairment for financial assets measured at amortized 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 amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

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

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 recognized, the decrease in impairment loss is reversed through profit or loss (up to the amount of the original cost).

Offsetting financial instruments

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

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Tangible fixed assets

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

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

Investment grants are deducted from the cost of the assets to which the grants relate.

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

The estimated useful lives are as follows:

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

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

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

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

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

Financial fixed assets*Participating interests with significant influence*

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

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

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

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

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

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Impairments of fixed assets

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

When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, an impairment loss is recognised for the difference between the carrying amount and the recoverable amount. If there is an impairment loss for a cash-generating unit, the loss is first allocated to goodwill allocated to the cash-generating unit. Any residual loss is allocated to the other assets of the unit pro rata to their book values.

Subsequently, at each reporting date, the entity assesses whether there is any indication that an impairment loss that was recorded in previous years has been decreased. If any such indication exists, then the recoverable amount of the asset or cash-generating unit is estimated.

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

Disposal of fixed assets

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

Receivables

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

Cash and cash equivalents

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

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

Equity

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

Legal reserves

A legal reserve cannot be distributed or used for other purposes than the legal purpose. GPI holds a foreign currency translation legal reserve. Exchange gains and losses arising from the translation of the functional currency of foreign operations to the reporting currency of GPI are accounted for in this legal reserve.

General reserves

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

Earmarked reserves

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

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Provisions

A provision is recognised if the following applies:

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

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

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

Provision for restructuring costs

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

Contingent liabilities

Contingent liabilities are possible obligations whose existence will be confirmed by uncertain future events that are not wholly within the control of the entity. An example is litigation against the entity when it is uncertain whether the entity has committed an act of wrongdoing and when it is not probable that settlement will be needed.

Contingent liabilities also include obligations that are not recognised because their amount cannot be measured reliably or because settlement is not probable. Contingent liabilities do not include provisions for which it is certain that the entity has a present obligation that is more likely than not to lead to an outflow of cash or other economic resources, even though the amount or timing is uncertain.

A contingent liability is not recognised in the statement of financial position. However, unless the possibility of an outflow of economic resources is remote, a contingent liability is disclosed in the notes.

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

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

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

Employee benefits/pensions

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

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

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

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

Termination benefits

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

Dutch pension plans

The Organisation operates a defined contribution pension scheme for all Amsterdam based 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.

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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 accruals basis, using the effective interest rate method. Interest expenses and similar charges are recognised in the period to which they belong.

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

Share in result of participating interests

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

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

Determination of fair value

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

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

Related parties

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

Subsequent events

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

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

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3. CASH FLOW STATEMENT

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

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

4. FINANCIAL RISK**General**

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

Liquidity risk

The Organisation monitors its cash position by using successive liquidity budgets. Our liquidity policy aims to maintain a capital structure that enables us to achieve our strategic objectives and daily operational needs, to safeguard our ability to continue as a going concern and to meet our current obligations. The Board reviews liquidity performance against budgets periodically to ensure timely mitigating measures can be taken if needed. At the end of 2018, 38.0% of the reserves were retained in cash at hand and in bank (2017: 37.6%).

The Organisation faces a risk due to the timing in respect of receiving the funding from the supporting National and Regional Organisations. This is due to meeting legislative

requirements in various countries governing the charitable status of donations received. The Organisation is fully aware of this and has dedicated resources available to monitor the cash flow and mitigate this risk. The Organisation has successfully managed this risk.

Credit and cash-flow risk

Credit risk arises principally from the Organisation loans and receivables presented under financial fixed assets, trade and other receivables and cash. The maximum amount of credit risk that the Organisation is exposed to is EUR 16.9 million (2017 EUR 17.8 million), consisting of FIF and Other Loans: EUR 7.6 million (2017: EUR 7.4 million), National and Regional Organisations current receivables: EUR 8.6 million (2017: EUR 9.7 million), Other receivables: EUR 0.7 million (2017: EUR 0.7 million).

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

Interest rate and cash-flow risk

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

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

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

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Currency risk

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

During the financial year 2018 the Organisation did not enter into any new forward foreign currency contracts (2017: no forward foreign currency contracts were entered into). No exchange contracts were outstanding at the end of 2018 and 2017.

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 2018 has been calculated by external treasury specialists, Zanders Treasury and Finance Solutions, and is estimated at EUR 2.3 million for the year ahead with a confidence of 97.5% on the volatility of the used foreign currencies.

Fair value

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

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5. TANGIBLE FIXED ASSETS

The movement of the tangible fixed assets was as follows:

(all amounts in EUR 000s)	Leasehold	Ships	Equip	Total
Book Value @ 31 Dec 2017	381	24,442	639	25,462
Additions	5	1,005	198	1,208
Adjustments	-	-	-	-
Disposals	-	-	-	-
Depreciation	(112)	(2,447)	(421)	(2,980)
Book Value @ 31 Dec 2018	273	23,001	416	23,690
Purchase	564	46,617	5,652	52,833
Accumulated Depn	(291)	(23,616)	(5,236)	(29,143)
Book Value @ 31 Dec 2018	273	23,001	416	23,690

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

(all amounts in EUR 000s)	Arctic Sunrise	Esperanza	Rainbow Warrior III	Inflatables	Total
Hull and structure	5,588	495	8,644	-	14,727
Dry Docking	58	494	284	-	836
Main Engines	95	90	2,006	-	2,191
Plant and Machinery	318	89	2,839	-	3,246
Auxiliary Engines	32	116	262	-	410
Sail and Rigging	0	0	725	-	725
Communications / Navigation	140	50	350	-	540
Equipment	110	34	10	-	154
Inflables				119	119
	6,341	1,368	15,120	119	22,948
Decommissioning	-	53	-	-	53
Book Value (as at 31 Dec 2018)	6,341	1,421	15,119	119	23,001

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

- Marine vessel Arctic Sunrise: useful life until 2033 (following refurbishment in 2016); capitalised decommissioning cost EUR 0K
- Marine vessel Esperanza: useful life until 2019; capitalised decommissioning cost EUR 53K.
- Marine vessel Rainbow Warrior III: useful life until 2041; capitalised decommissioning cost EUR 0K.

The Rainbow Warrior III has been pledged as security for a loan with Greenpeace Germany.

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6. FINANCIAL FIXED ASSETS

The financial fixed assets contain:	2018	2017
(all amounts in EUR 000s)		
Participation	48	45
Deferred Tax asset	8	-
Loans related to Greenpeace entities:		
Fundraising Investment Fund	2,239	2,939
Other Loans	3,199	3,142
	5,494	6,126

Participation

The Organisation has an investment representing a 25.6% interest in Via Ex CVBA/SCRL, registered in Schaerbeek, Belgium. The entity owns the building used by Greenpeace Belgium. The initial cost of the investment was EUR 80K. The value of the investment recorded in the accounts was depreciated to nil in 2005 in accordance with the equity method of accounting. In 2018 the entity made a profit of EUR 9K (2017: EUR 42K). After incorporating the 25.6% (EUR 2.2K) share of the profit, the result is a positive equity at year end of EUR 48K (2017: EUR 45K). The result of the year was the only movement in the participation in both 2018 and 2017.

(all amounts in EUR 000s)

Fundraising Investment Fund

	Loan Currency	Interest %	2018	2017
Greenpeace Argentina	ARS	0.25%	47	91
Greenpeace Africa	ZAR	0.30%	73	98
Greenpeace Brazil	BRL	0.30%	174	445
Greenpeace Canada	CAD	0.30 - 0.40%	0	166
Greenpeace Chile (Greenpeace Andino)	CLP	0.30%	146	158
Greenpeace Colombia FIF Loan	COP	0.25%	92	194
Greenpeace East Asia	CNY	0.3% - 0.75%	2011	1,885
Greenpeace Italy	EUR	0.25%	240	
Greenpeace Greece	EUR	0.3%-0.75%	431	240
Greenpeace Mexico	MXN	0.30%	145	275
Greenpeace US	USD	0.30%	816	801

Allowance against loans and receivables

Other loans

Long term rental deposit - DDII	INR	0.00%	63	60
Greenpeace Mexico	MXN	0.25%	222	-
Greenpeace Russia	RUB	0.00%	177	185
Canonbury Villas Ltd (owns building for Greenpeace UK)	GBP	0.00%	2,964	2,903
			3,426	3,148

Loans Total**Current Loans**

Allowance against loans and receivables			2,163	1,421
			-	(138)
Current Loans after allowance against loans and receivables			2,163	1,283

Non-current Loans

Loans Total			5,438	6,080
			7,601	7,363

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

(all amounts in EUR 000s)
At 1 January
 New loans and additions
 Interest
 Repayments
 Translation differences
 Unwinding amortised costs
At 31 December
 Allowance against loans and receivables

	7,363	7,433
	1,493	1,887
	14	22
	(1,436)	(1,576)
	(87)	(375)
	116	111
	<u>7,463</u>	<u>7,501</u>
	<u>138</u>	<u>(138)</u>
	<u>7,601</u>	<u>7,363</u>

Additional details of the loans are as follows:

- The Fundraising Investment Fund is a tool to increase income and to invest in opportunities for growth, long term returns and / or the opportunity to build priority National & Regional Organisations' sustainability. The interest rates for Fundraising Investment Fund loans are set at the European Central Bank (ECB) Marginal Lending Facility rate. Normally repayment within a period of 24 months is agreed upon.
- The Greenpeace Russia interest free loan was made to help facilitate the purchase of an office property by Greenpeace Russia. The loan is repayable in 24 equal annual instalments of Ruble (RUB) 370K and a final payment of RUB 43.5 million in December 2030. The unwinding of the amortised costs in 2018 is EUR 18K (2017: EUR 20K) (at average exchange rate).
- The Greenpeace United Kingdom (Greenpeace UK) interest free loan was made to Canonbury Villas Ltd, the owner of the Greenpeace UK office premises, to help facilitate the repayment of a mortgage on that property. The loan is repayable in April 2023. The unwinding of the amortised costs in 2018 is EUR 98K (2017: EUR 91K) (at average exchange rate).
- The Organisation did not recognise any impairments to loan balances in 2018 (2017: EUR 0K). In 2018 the Organisation reversed the allowance of EUR 138K that was made in 2017 against the Fundraising Investment Fund Loans due to the instability in the financial situation of one of the Greenpeace National Organisations, since the Organisation was able to start making payments in 2018. The Organisation does not foresee any other uncollectable amounts and no further allowances are made in relation to this.

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7. DUE FROM AND TO GREENPEACE ORGANISATIONS

	Receivables		Current liabilities	
	2018	2017	2018	2017
(all amounts in EUR 000s)				
Africa	571	509	-	-
Argentina	1,077	951	-	-
Central and Eastern Europe	-	-	86	321
Australia Pacific	317	-	-	282
Belgium	132	95	-	-
European Unit	-	-	242	328
Brazil	36	-	-	144
Canada	40	53	-	-
Chile	421	500	-	-
Czech Republic	7	28	-	-
East Asia	-	321	164	-
France	-	42	347	-
Germany	28	3,235	-	-
Greece	-	-	243	270
India	-	-	2,022	2,257
Italy	29	-	-	62
Japan	-	-	29	92
Luxembourg	-	-	163	190
Mediterranean	939	734	-	-
MENA	-	-	84	-
Mexico	359	82	-	-
Netherlands	-	900	246	-
New Zealand	4	11	-	-
Nordic	1,162	2,391	-	-
Russia	11	-	-	2
Science Unit	-	19	11	-
Spain	306	194	-	-
South East Asia	488	-	-	555
Switzerland	-	124	88	-
Taiwan	1,200	-	-	-
United Kingdom	-	-	791	544
USA Foundation	3,704	808	-	-
USA Inc.	-	-	480	1,041
	<u>10,831</u>	<u>10,997</u>	<u>4,996</u>	<u>6,088</u>
Allowance against loans and receivables	<u>(2,192)</u>	<u>(1,266)</u>		
Total after allowance against loans and receivables	<u>8,639</u>	<u>9,731</u>		

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

In 2018 the Organisation made an allowance of EUR 2,192K (2017: EUR 1,266K) against balances with National and Regional Greenpeace Organisations due to the instability in the financial situation or legal restrictions in transferring cash faced by the National and Regional Greenpeace Organisations. The Organisation does not foresee any other uncollectable amounts and no further allowances are made in relation to this.

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

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

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8. OTHER ASSETS AND PREPAYMENTS

(all amounts in EUR 000s)	2018	2017
Prepayments	410	641
Fuel	362	365
Other receivables	658	746
	<u>1,430</u>	<u>1,752</u>

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

9. CASH AND CASH EQUIVALENTS

(all amounts in EUR 000s)	2018	2017
Deposits	-	65
Credit balances on bank accounts	14,578	13,486
	<u>14,578</u>	<u>13,551</u>

The bank current accounts include a bank guarantee of EUR 85K (2017: EUR 85K) in respect of the Organisation's rental lease for the Amsterdam premises. There is another guarantee of INR 2 million (EUR 25K) in respect of a legal guarantee for Greenpeace India.

Deposits included under cash and cash equivalents for 2017 only represent deposits that are available on demand.

10. FUND BALANCE ANALYSIS

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

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

	Legal Reserve	General Reserves	Earmarked Reserves			Total
	Foreign currency translation reserve	Free available	Decommissioning RWII	Tangible Fixed Assets	Foreign Exchange Risk	
(all amounts in EUR 000s)						
Balance at 31 December 2017	-	9,772	300	24,462	2,425	36,958
Result over the year	-	1,456	-	-	-	1,456
Movement	(98)	2,254	(285)	(1,772)	(197)	(98)
Balance at 31 December 2018	(98)	13,482	15	22,690	2,228	38,316

GPI has the following legal reserve:

Foreign currency translation reserve

The foreign currency translation legal reserve of EUR 98k relates to the Organisation's investment in Direct Dialogue Initiatives India Pvt Ltd., located in Bangalore, India.

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GPI has the following earmarked reserves and funds:

Decommissioning Rainbow Warrior II

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

The Rainbow Warrior II was decommissioned in March 2019 according to the standards of the IMO Recycling Convention (Hong Kong) under a BIMCO approved RECYCLECON contract for green recycling. Additional requirements were imposed by Greenpeace International and the environmental standards of the Basel Convention and Govt, of Bangladesh were also followed. The cost of decommissioning was EUR 15K. No further costs are anticipated and hence we have reduced the earmarked reserves by EUR 285K, from EUR 300K at 31 December 2017 to EUR 15K at 31 December 2018.

Fixed Assets Reserve

The amount of EUR 22.5 million has been allocated for financing tangible fixed assets. This comprises the NBV of Tangible Fixed Assets of EUR 23.5 million less the estimated scrap value of the ships of EUR 1.0 million. The reserve represents the net book value (purchase price less depreciation) of all tangible fixed assets. The value of the reserve fluctuates through purchase, depreciation and disposal of fixed assets during the year.

Foreign Exchange Reserve

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

11. PROVISIONS

Movements in provisions can be specified as follows:

(all amounts in EUR 000s)	Legal	Restructuring	Decommissioning	Total
Balance at 1 January 2018	330	295	1,339	1,964
Provisions made during the year	-	205	26	231
Provisions used during the year	-	(458)	-	(458)
Provisions reversed during the year	(300)	(5)	-	(305)
Balance at 31 December 2018	<u>30</u>	<u>37</u>	<u>1,365</u>	<u>1,432</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 and Regional Organisations. These claims, and the related legal costs have been provided for as follows:

1. The Organisation is a co-defendant in a legal case in 2010. The Organisation provided EUR 300K for legal costs in 2017, which was released in 2018 as the Court acquitted the defendants.
2. The Organisation is involved in one smaller case that is expected to end within the next two years. Current legal costs are provided for EUR 30K (2017: 30K).

Approximately EUR 17K of the provision is due within one year.

Restructuring

The Organisation had a provision for restructuring at 1 January 2018 that mainly related to a restructuring plan that was formalised in 2014, which called for an adjustment in the Organisation due to changes in the ways of working. The employees involved will be supported in finding new employment outside the Organisation and are entitled to a redundancy arrangement that is dependent on their salary and years of service with the Organisation. The provision covers the estimated costs for outplacement and redundancy. The movement in the provision in 2018 relates mainly to the utilisation of the provision. All of the provision is due within one year.

Decommissioning

The Organisation has three ships in operation. The present value of the balance of cost and yield for decommissioning is EUR 1,365K (2017: EUR 1,339K). 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 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.

12. LONG TERM LIABILITIES

Loans due to Greenpeace National and Regional Organisations

(all amounts in EUR 000s)			
	Loan	2018	2017
	Currency		
Rainbow Warrior III Loans			
Greenpeace Germany	EUR	2,098	2,797
Greenpeace United Kingdom	GBP	67	90
		<u>2,165</u>	<u>2,887</u>
Arctic Sunrise Loan			
Greenpeace Germany	EUR	5,000	5,625
		<u>5,000</u>	<u>5,625</u>
Total Loans		<u>7,165</u>	<u>8,512</u>
Current loans		1,347	1,347
Non-current loans			
Due to National and Regional Organisations > 5 years		1,875	2,500
Due to National and Regional Organisations >1-5 years		<u>3,943</u>	<u>4,665</u>
		<u>5,818</u>	<u>7,165</u>
		<u>7,165</u>	<u>8,512</u>
Deferred Tax liability		-	4
Total Long term liabilities		<u>5,818</u>	<u>7,169</u>

Rainbow Warrior Loans

- Greenpeace Germany: denominated in EUR and bearing interest of 1.5% per annum over the Euro Interbank Offered Rate (currently 1.34% 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 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.

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Arctic Sunrise Loan

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

13. CURRENT LIABILITIES

(all amounts in EUR 000s)

	<u>2018</u>	<u>2017</u>
Accounts payable	957	1,335
Accrued liabilities	920	797
Tax and social security	623	678
Employees	<u>1,586</u>	<u>1,570</u>
	<u>4,086</u>	<u>4,380</u>

The current liabilities include no amounts with a residual term of more than one year (2017: nil).

Tax and social security contributions

(all amounts in EUR 000s)

	2018	2017
Wage tax and social security contributions	417	374
Value added tax	<u>205</u>	<u>304</u>
	<u>623</u>	<u>678</u>

14. OFF BALANCE SHEET ASSETS AND LIABILITIES

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

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

(all amounts in EUR 000s)	2018	2017
Not later than one year	306	307
Later than one year but not later than 5 years	974	1,105
Later than five years	-	106
	<u>1,280</u>	<u>1,518</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. There is a one year notice period to terminate the contract early.
2. The office equipment lease expires on 30 June 2019. Negotiations are underway for a new contract.
3. The mobile phone contract expired in February 2019 and negotiations are underway for the new contract.

Lease payments that have been recognised as an expense in 2017, amount to EUR 342K (2017: EUR 324K).

Contingent liabilities

The Dutch compulsory Industry-wide Pension Fund for the Merchant Shipping Industry (in Dutch: Stichting Bedrijfspensioenfonds voor de Koopvaardij) (hereafter referred to as: "PF MS") has the statutory duty to enforce certain Dutch legislation concerning pension. On the basis of that legislation, in 2018 PFMS has taken the position that (many of) the crew members of the ships that are operated by GPI, are obliged to participate in PF MS and that GPI is obliged to join PF MS.

If the position of PF MS is correct, it means that GPI is obliged to pay pension premium to PF MS for the crew members over the period (past and future) that the crew members are obliged to participate, and to pay statutory interest and possibly a fine to PF MS. An estimate of the potential liability is EUR 2.5 million.

GPI is advised that good arguments exist to support the position that the crew members are not obliged to participate in PF MS and that GPI is not obliged to join PF MS. This position appears to have a reasonable chance of success if it comes to legal proceedings, hence no provision has been made in relation to this

As mentioned in Note 11 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 and Regional Organisations. In addition to the cases detailed in Note 11, GPI is involved in a number of legal cases for which the outcome is too uncertain and the amount of any potential liability too difficult to estimate to make a provision.

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15. CONTRIBUTIONS FROM GREENPEACE ORGANISATIONS

(all amounts in EUR 000s)	2018	2017
Greenpeace Argentina	1,458	1,554
Greenpeace Australia Pacific	2,511	3,876
Greenpeace Belgium	2,497	1,968
Greenpeace Brazil	-	-
Greenpeace Canada	1,770	1,840
Greenpeace Central and Eastern Europe	2,780	2,362
Greenpeace Czech Republic	44	39
Greenpeace East Asia	1,200	-
Greenpeace France	6,112	5,182
Greenpeace Germany	20,882	22,253
Greenpeace Greece	88	65
Greenpeace Italy	1,920	1,815
Greenpeace Japan	12	4
Greenpeace Luxembourg	113	89
Greenpeace Mediterranean	478	1,057
Greenpeace Mexico	321	343
Greenpeace Netherlands	7,030	7,247
Greenpeace New Zealand	1,276	1,419
Greenpeace Nordic	6,019	6,531
Greenpeace Spain	3,510	2,724
Greenpeace Switzerland	7,464	7,675
Greenpeace United Kingdom	5,062	6,052
Greenpeace United States	7,459	7,163
	80,006	81,258

16. OTHER INCOME

(all amounts in EUR 000s)	2018	2017
Major donors	2,823	736
Other income	1,107	557
Videos	4	9
	3,934	1,302

17. SUPPORT TO GREENPEACE ORGANISATIONS

(all amounts in EUR 000s)	2018	2017
Greenpeace Africa	5,174	4,731
Greenpeace Argentina	29	122
Greenpeace Australia Pacific	233	35
Greenpeace Belgium	10	15
Greenpeace Brazil	5,039	5,456
Greenpeace Canada	720	967
Greenpeace Central and Eastern Europe	911	572
Greenpeace Czech Republic	94	-
Greenpeace Chile	8	39
Greenpeace East Asia	6,767	5,878
Greenpeace France	372	270
Greenpeace Germany	-	55
Greenpeace Greece	60	289
Greenpeace India	-	416
Greenpeace Italy	60	17
Greenpeace Japan	875	968
Greenpeace Mediterranean	127	841
Greenpeace MENA	630	-
Greenpeace Mexico	25	104
Greenpeace Netherlands	250	75
Greenpeace New Zealand	83	190
Greenpeace Nordic	513	741
Greenpeace Russia	2,724	2,825
Greenpeace Spain	-	-
Greenpeace South East Asia	6,052	5,510
Greenpeace United Kingdom	321	406
Greenpeace United States	1,858	2,662
	32,935	33,184

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The grants can be split in the following categories:

Block grants and restricted contributions to NROs	25,925	27,196
Restricted grants	<u>7,010</u>	<u>5,988</u>
	<u>32,935</u>	<u>33,184</u>

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

18. CAMPAIGN SUPPORT

Campaign Support costs consist of:

(all amounts in EUR 000s)	<u>2018</u>	<u>2017</u>
Marine Operations	12,048	11,091
Action Support	1,268	1,283
Media and Communications	<u>2,573</u>	<u>2,504</u>
	<u>15,889</u>	<u>14,878</u>

Marine operations costs can be split as follows:

(all amounts in EUR 000s)	<u>2018</u>	<u>2017</u>
Esperanza	2,399	2,576
Arctic Sunrise	2,529	1,548
Rainbow Warrior III	1,969	2,129
Marine Support costs	<u>5,151</u>	<u>4,838</u>
	<u>12,048</u>	<u>11,091</u>

19. ORGANISATIONAL SUPPORT

Organisational Support consists of:

(all amounts in EUR 000s)	<u>2018</u>	<u>2017</u>
Information Technology	2,933	3,097
Human Resources and Training	3,883	3,822
Finance	3,437	3,784
Executive Directors' Office & Governance	1,623	1,336
Development	1,049	1,072
Performance, Accountability & Learning	539	570
Property Costs	<u>835</u>	<u>740</u>
	<u>14,299</u>	<u>14,421</u>

Finance costs include the increase in allowance against loans and receivables of EUR 0.8M (2017: EUR 1.4M)

20. STAFF EXPENSES

(all amounts in EUR 000s)	<u>2018</u>	<u>2017</u>
Salaries	12,734	11,407
Social Security	1,618	1,417
Pension	675	464
Redundancy	276	653
Other staff costs	<u>1,359</u>	<u>992</u>
	16,662	14,932
NRO charges	11,287	10,143
Temporary agencies	<u>234</u>	<u>195</u>
	<u>28,183</u>	<u>25,271</u>

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The Organisation had an average of 626 employees during 2018 (2017: 610) as shown below:

Average (FYE)

	2018	2017
Staff located in Amsterdam office	135	139
Direct Dialogues Initiatives India	253	236
GPI staff hosted by NROs	144	135
Marine	94	100
	<u>626</u>	<u>610</u>

During the 2018 financial year, the average number of staff employed in the Organisation, converted into full-time equivalents, amounted to 626 people (2017: 610), of which 397 (2017: 371) were employed outside of the Netherlands.

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

International employees

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

21. DEPRECIATION

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

(all amounts in EUR 000s)	2018	2017
Ships	2,394	2,444
Decommissioning	53	53
Other	533	493
	<u>2,980</u>	<u>2,990</u>

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

22. FINANCIAL RESULT

The financial result can be shown as follows:

(all amounts in EUR 000s)	<u>2018</u>	<u>2017</u>
Income		
Interest from NROs	15	22
Deferred Tax	11	-
Unwinding amortised costs	-	111
Foreign exchange		
- Unrealised	179	300
- Realised	-	2
	<u>205</u>	<u>435</u>
Expenses		
Unwinding amortised costs	26	47
Deferred Tax	-	4
Interest on loans	114	227
Foreign exchange		
- Unrealised	1,448	1,319
- Realised	264	574
	<u>1,852</u>	<u>2,171</u>
Financial result (loss)/gain	<u>(1,647)</u>	<u>(1,736)</u>

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23. CASH FLOW STATEMENT

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

24. TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties are assumed when a relationship exists between the Organisation and a natural person or entity that is affiliated with the Organisation. This includes, amongst others, the relationship between the Organisation and its subsidiaries, governing boards and key management personnel. Transactions are transfers of resources, services or obligations, regardless whether anything has been charged.

The compensation for the governing boards of Stichting Greenpeace Council and the related entities; and the remuneration for the International Executive Directors is disclosed in Note 25. Board Compensation and Executive Remuneration.

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

25. BOARD COMPENSATION AND EXECUTIVE REMUNERATION

The remuneration for the year 2018 of the International Executive Directors and the compensation for the Supervisory Directors (Governing Board) is in the table below. The remuneration of the International Executive Directors is set directly by the Board of Stichting Greenpeace Council. The job description is appraised according to the same (Hay) methodology applied to all staff of GPI in Amsterdam.

	Remuneration &			Total	Period
	Compensation	Social security	Pension		
Executive Directors (Full Time)					
Bunny McDiarmid	165	11	1	177	Apr 2016 - present
Jennifer Morgan	165	11	11	187	Mar 2016 - present
	<u>330</u>	<u>22</u>	<u>12</u>	<u>364</u>	
Non-Executive Board					
Ayesha Imam	35	-	-	35	Apr 2017 - present
Ed Harrington	10	-	-	10	Nov 2012 - present
Thuli Makama	10	2	-	12	May 2013 - present
Athena Ronquillo-Ballesteros	3	-	-	3	May 2014 - present
Michael Hammer	10	-	-	10	Nov 2014 - present
Ravi Rajan	12	-	-	12	Jun 2015 - present
Anabella Roseberg	-	-	-	-	Mar 2016 - Apr 2018
Sue Cooper	3	-	-	3	August 2018 - present
	<u>83</u>	<u>2</u>	<u>-</u>	<u>85</u>	
Expense compensation board related parties					
	Iris	Phoenix	Theseus&Rubicon	Total	
B.J. van Spaendonck	1	1	2	4	
G.J.G. Bolderman	1	1	2	4	
				<u>8</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 214K including 114K for the year 2017 (2017: EUR 139K including EUR 61K for the year 2016). The fees are taken in the year to which the financial statements relate, irrespective of the year the work was performed, unless otherwise specified.

The Organisation also incurred fees of EUR 53K charged by KPMG Meiburg & Co and EUR 16K by Atlas Fiscalisten N.V. in relation to tax advice (2017: EUR 15K charged by Atlas Fiscalisten N.V.).

27. SUBSEQUENT EVENTS

Russia was found liable in August 2015 for the unlawful boarding, seizure and detention of the Greenpeace ship Arctic Sunrise, in Russia's exclusive economic zone (EEZ) in September 2013, and for subsequent measures taken against the vessel and the 30 people on board (known as the 'Arctic 30'). In July 2017, the international tribunal hearing the dispute between Russia and the Netherlands defined the amount of money owing to the latter by the former to be EUR 5,396K plus interest.

The Russian government consistently refused to participate in the arbitration case against it and failed to comply with the ruling, leaving the Netherlands with an outstanding claim.

In May 2019 the Dutch and Russian governments announced that they have reached a deal to settle the dispute. Although the Russian government still has not formally accepted the award of the arbitral tribunal, it has agreed to pay an undisclosed sum to the Netherlands. The two countries have also announced cooperation on scientific research in the Russian Arctic.

The Dutch government has agreed to transfer a sum of EUR 2.7 million out of the sum it will receive to Greenpeace International. GPI in turn is transferring a sum of EUR 605K to the Arctic 30 themselves. This reflects the amount awarded by the arbitral tribunal in respect of the unlawful detention of the 30 and the failure of the Russian authorities to return all the personal items taken from them (EUR 600K in respect of their detention, and EUR 5K in respect of their property). The remaining monies will go towards the same sort of environmental advocacy that the Arctic 30 demonstrated and that was vindicated in the legal proceedings.

28. APPROPRIATION OF RESULT

The Board has approved the allocation of the result of EUR 1,456K (positive) to the fund balance as already shown in the consolidated balance sheet and the note 10: Fund balance analysis.

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Stichting Greenpeace Council Balance Sheet as at 31 December 2018 (After result appropriation)

		<u>2018</u>	<u>2017</u>
(all amounts in EUR 000s)	Note		
ASSETS			
Fixed Assets			
Tangible Fixed Assets	32	428	755
Financial Fixed Assets	33	<u>3,600</u>	<u>3,989</u>
Total Fixed Assets		4,028	4,744
Current Assets			
Due from Greenpeace Organisations	7	8,639	9,731
Due from related parties	34	39,533	33,303
Loans	33	2,159	1,277
Other Assets and Prepayments	35	1,117	1,535
Cash and cash equivalents	36	<u>3,044</u>	<u>8,036</u>
Total current assets		54,492	53,882
Total Assets		<u>58,520</u>	<u>58,626</u>
FUND AND LIABILITIES			
Fund balance	37	27,941	27,405
Provisions	38	67	625
Long term liabilities	39	1,443	2,165
Current liabilities			
Accounts payable to vendors		699	1,220
Due to Greenpeace Organisations	7	4,996	6,088
Due to related parties	34	19,785	17,409
Loans	12	722	722
Tax and social security		702	1,025
Other liabilities and accruals		<u>2,165</u>	<u>1,967</u>
Total current liabilities		29,069	28,431
Total Fund Balance and Liabilities		<u>58,520</u>	<u>58,626</u>

Stichting Greenpeace Council Statement of Income and Expenditure 2018

		<u>2018</u>	<u>2017</u>
(all amounts in EUR 000s)	Note		
Share of Result in Participating Interests		(1,242)	(1,128)
Other income and expenses	41	1,876	968
Net Surplus/(Deficit)		<u>634</u>	<u>(160)</u>

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

The separate Financial Statements are part of the 2018 statutory Financial Statements of Stichting Greenpeace Council. The financial information of the organisation is included in the organisation's consolidated financial statements.

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

30. ACCOUNTING POLICIES

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

Participating interests in group companies

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

Share of result of participating interests

This item concerns the Company's share of the profit or loss of these participating interests. Results on transactions involving the transfer of assets and liabilities

between the Company and its participating interests and mutually between participating interests themselves, are eliminated to the extent that they can be considered as not realized.

31. FINANCIAL RISK

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

Stichting Greenpeace Council has not undertaken any specific financial instrument such as hedging in 2018 and there are no contracts outstanding at the end of 2018.

Inter-group balances with related parties are settled periodically in line with each entity's financing needs. No settlement was required during 2018. The directors of all entities undertake a periodic review of these requirements.

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32. TANGIBLE FIXED ASSETS

Movements in tangible fixed assets were as follows:

(all amounts in EUR 000s)	Leasehold Improvements	Equipment, Fixtures and Fittings	Total
Purchase Cost	267	5,391	5,658
Accumulated Depreciation	(94)	(4,809)	(4,903)
Bookvalue as per 31 December 2017	<u>173</u>	<u>582</u>	<u>755</u>
Changes in carrying amount:			
Investments	-	148	148
Disposals	-	-	-
Depreciation	(86)	(389)	(475)
Bookvalue as per 31 December 2018	<u>87</u>	<u>341</u>	<u>428</u>
Purchase Cost	267	5,539	5,806
Accumulated Depreciation	(180)	(5,198)	(5,378)
Bookvalue as per 31 December 2018	<u>87</u>	<u>341</u>	<u>428</u>

33. FINANCIAL FIXED ASSETS

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

Loans

(all amounts in EUR 000s)

	Loan Currency	Interest %	2018	2017
Fundraising Investment Fund				
Greenpeace Argentina	ARS	0.25%	47	91
Greenpeace Africa	ZAR	0.30%	73	98
Greenpeace Brazil	BRL	0.30%	174	445
Greenpeace Canada	CAD	0.30 - 0.40%	-	166
Greenpeace Central and Eastern Europe (Poland)	PLN	1.00%	-	-
Greenpeace Chile (Greenpeace Andino)	CLP	0.30%	146	158
Greenpeace Colombia FIF Loan	COP	0.25%	92	194
Greenpeace East Asia	CNY	0.3% - 0.75%	2,011	1,885
Greenpeace Greece	EUR	0.3%-0.75%	431	240
Greenpeace Italy	EUR	0.25%	240	-
Greenpeace Japan	JPY	0.30%	-	-
Greenpeace Mediterranean	EUR	1.50-2.00%	-	-
Greenpeace Mexico	MXN	0.30%	145	275
Greenpeace Nordic	SEK	0.75%	-	-
Greenpeace US	USD	0.30%	816	802
			<u>4,175</u>	<u>4,354</u>
Provision for doubtful debts			-	(138)
			<u>4,175</u>	<u>4,216</u>
Other loans				
Greenpeace Mexico	MXN	0.25%	223	-
			<u>4,398</u>	<u>4,216</u>
Loans Total				
Current Loans			2,159	1,415
Non-current			2,239	2,939
			<u>4,398</u>	<u>4,354</u>
Allowance against loans and receivables			-	(138)
			<u>4,398</u>	<u>4,216</u>
At 1 January				
New loans and additions			4,216	4,346
Interest			1,490	1,826
Repayments			14	20
Translation differences			(1,432)	(1,569)
Unwinding amortised costs			(28)	(269)
Impairments			-	-
			<u>4,260</u>	<u>4,354</u>
Allowance against loans and receivables			138	(138)
			<u>4,398</u>	<u>4,216</u>

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Investments and Associates

(all amounts in EUR 000s)	<u>Via-Ex</u>	<u>Greenpeace Licensing BV</u>	<u>Direct Dialogues Initiatives India Pvt</u>	<u>Total</u>
Value as at 31 December 2017	46	23	981	1,050
Investments			1,651	1,651
Addition to translation reserve			(98)	
Result	2	(32)	(1,212)	(1,242)
Adjustments				
Value at 31 December 2018	<u>48</u>	<u>(9)</u>	<u>1,322</u>	<u>1,361</u>
Participation percentage at 31 December 2017	25.6%	100%	99.9%	
Participation percentage at 31 December 2018	25.6%	100%	99.9%	
Country	Belgium	Netherlands	India	
Place	Brussels	Amsterdam	Bangalore	

34. DUE FROM and TO RELATED PARTIES

(all amounts in EUR 000s)

	<u>2018</u>	<u>2017</u>
Stichting Iris	10,404	12,423
Stichting Rubicon	66	66
Stichting Theseus	28,880	20,666
Greenpeace Licensing B.V.	<u>183</u>	<u>148</u>
	<u>39,533</u>	<u>33,303</u>
Due to other GPI entities:		
	<u>2018</u>	<u>2017</u>
Stichting Phoenix	<u>19,785</u>	<u>17,409</u>
	<u>19,785</u>	<u>17,409</u>

Inter-group balances with related parties are settled periodically in line with each entity's financing needs. No settlement was required during 2018.

In the receivables from related parties, an amount of EUR 39.5 million (2017: EUR 33.3 million) is included with a maturity longer than 1 year. All other receivables have an estimated maturity shorter than one year.

In the payables to related parties, an amount of EUR 19.8 million (2017 EUR 17.4 million) is included with a maturity longer than 1 year. All other payables have an estimated maturity shorter than one year.

No interest is charged on inter-group balances (2017: NIL)

35. OTHER ASSETS AND PREPAYMENTS

(all amounts in EUR 000s)	<u>2018</u>	<u>2017</u>
Prepayments	410	634
Other receivables	<u>707</u>	<u>901</u>
	<u>1,117</u>	<u>1,535</u>

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

36. CASH AND CASH EQUIVALENTS

(all amounts in EUR 000s)

	<u>2018</u>	<u>2017</u>
Deposits	-	159
Credit balances on bank accounts	<u>3,044</u>	<u>7,877</u>
	<u>3,044</u>	<u>8,036</u>

The bank current accounts include a bank guarantee of EUR 85K (2017: EUR 85K) in respect of the Organisation's rental lease for the Amsterdam premises. There is another guarantee of INR 2 million (EUR 25K) in respect of a legal guarantee for Greenpeace India. Deposits included under cash and cash equivalents only represent deposits that are available on demand.

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37. FUND BALANCE ANALYSIS

Greenpeace International's reserves policy calls for sufficient available reserves to cover for contingent liabilities and other risks related to its operations. In this context, available reserves equal the fund balance less allocation for fixed assets and less designated reserves held for future commitments. These commitments, liabilities and risks are assessed annually. The available reserves level is calculated as follows: (all amounts in EUR 000s)

	Legal Reserve	General Reserves	Earmarked Reserves			Total
	Foreign currency translation reserve	Free available	Decommissioning RWII	Tangible Fixed Assets	Foreign Exchange Risk	
(all amounts in EUR 000s)						
Balance at 31 December 2017	-	23,925	300	755	2,425	27,405
Result over the year	-	634	-	-	-	634
Movement	(98)	809	(285)	(327)	(197)	(98)
Balance at 31 December 2018	(98)	25,368	15	428	2,228	27,941

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

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

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

(all amounts in EUR 000s)	Fund Balance	Net surplus/(deficit)
Stichting Greenpeace Council	27,941	634
Stichting Phoenix	940	412
Stichting Iris	578	254
Stichting Theseus	8,857	156
Per Consolidated Financial Statements	38,316	1,456

APPROPRIATION OF RESULT

The Board has approved the proposed allocation of the net surplus result of EUR 634K to the fund balance as shown in the Balance Sheet and the notes (note 37 Fund Balance Analysis)

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38. PROVISIONS

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

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

(all amounts in EUR 000s)	Legal	Restructuring	Total
Balance at 1 January 2018	330	295	625
Provisions made during the year	-	205	205
Provisions used during the year	(300)	(458)	(758)
Provisions reversed during the year	-	(5)	(5)
Balance at 31 December 2018	<u>30</u>	<u>37</u>	<u>67</u>

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

(all amounts in EUR 000s)

	Loan Currency	2018	2017
Rainbow Warrior III Loans			
Greenpeace Germany	EUR	2,098	2,797
Greenpeace United Kingdom	GBP	<u>67</u>	<u>90</u>
Total Loans		2,165	2,887
Current loans			
		722	722
Non-current loans			
Due to National and Regional Organisations > 5 years		-	-
Due to National and Regional Organisations >1-5 years		<u>1,443</u>	<u>2,165</u>
Total Non-current Loans		1,443	2,165
Total Loans		2,165	2,887

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

40. OFF BALANCE SHEET ASSETS AND LIABILITIES

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

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41. OTHER INCOME AND EXPENSES

(all amounts in EUR 000s)

	<u>2018</u>	<u>2017</u>
Surplus before share of result in participating interests and financial result	3,464	2,555
Financial result	(1,588)	(1,587)
Total other income and expenses	<u>1,876</u>	<u>968</u>

The financial result can be shown as follows:

(all amounts in EUR 000s)

	<u>2018</u>	<u>2017</u>
Income		
Interest from NRO loans	15	20
Expenses		
Interest on loans	38	136
Revaluation NRO Loans	-	-
Foreign exchange		
- Unrealised	1318	898
- Realised	247	573
	<u>1603</u>	<u>1607</u>
Financial result (loss)/gain	<u>(1,588)</u>	<u>(1,587)</u>

42. TRANSACTIONS WITH RELATED PARTIES

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

43. SUBSEQUENT EVENTS

Please refer to Note 27 Subsequent Events in the Consolidated Financial Statements.

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Financial statements

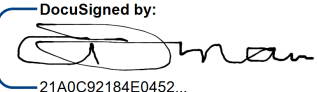
Amsterdam, 28 June 2019

International Executive Directors:


J.L. Morgan  28-Jun-19

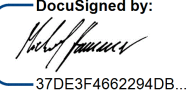
A.M. McDiarmid  28-Jun-19

Governing Board:

A.M. Imam (Chair)  28-Jun-19

E. Harrington (Treasurer - Outgoing)

S. Cooper (Treasurer – incoming)  28-Jun-19

M.A. Hammer  28-Jun-19

T.B. Makama

S.R. Rajan

Other Information

Independent Auditor's report

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

Report on the accompanying financial statements

Our opinion

We have audited the financial statements 2018 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 2018 and of its result and its cash flows for 2018 in accordance with International Financial Reporting Standards for Small and Medium-sized Entities and with Part 9 of Book 2 of the Dutch Civil Code;
- the accompanying company financial statements give a true and fair view of the financial position of Stichting Greenpeace Council as at 31 December 2018 and of its result for 2018 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:

- 1 the consolidated balance sheet as at 31 December 2018;
- 2 the following consolidated statements for 2018: the statement of income and expenditure, the statements of comprehensive income, 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 Stichting Greenpeace Council balance sheet as at 31 December 2018;
- 2 Stichting Greenpeace Council statement of income and expenditure for the year 2018; and
- 3 Stichting Greenpeace Council notes to the financial statements 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 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:

- other information pursuant to Part 9 of Book 2 of the Dutch Civil Code;
- Stichting Greenpeace Council Report of the International Executive Directors and Report of the Governing Board.

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

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

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

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

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

Description of the responsibilities for the financial statements

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

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

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

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

Our responsibilities for the audit of the financial statements

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

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

Misstatements can arise from fraud or errors and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

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

This description forms part of our independent auditor's report.

Amstelveen, 28 June 2019
KPMG Accountants N.V.

E. Breijer RA