

Greenpeace Australia
Pacific Limited

ABN 61 002 643 852

Annual Financial Report
31 December 2008

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Director's Report

The directors present their report together with the financial report of Greenpeace Australia Pacific Limited ("the Company") for the year ended 31 December 2008 and the auditor's report thereon.

DIRECTORS

The directors of the company at any time during or since the end of the financial year are:

| | | |
|---|---|--|
| Name: | Ann de Wachter | Robert Wilson |
| Age: | 69 (30 January 1939) | 73 (19 October 1935) |
| Experience: | Public Relations and Fundraising, Former Chair of Greenpeace International Board Search Committee | Previous CEO of Sydney Water Board, NSW Water Resources Commission and Department of Lands and Registrar General, Environmental Campaigner and Certified Practising Accountant. |
| Appointed: Directorship of other Corporations: | 24 May 1997 ADW Communications Pty Limited | 25 May 1996 Managing Director of Wilson Corporate & Environmental Services Pty Limited, Chair Independent Expert Panel on Hawkesbury-Nepean River Environmental Flow, Hawkesbury-Nepean Catchment management Authority. |
| Name: | Lynette Thornstensen | Graham Everett Leung |
| Age: | 47 (30 September 1961) | 52 (26 November 1956) |
| Experience: | Bachelor of Arts, Masters Science & Society. Former CEO of Greenpeace Australia Pacific | Solicitor & Barrister, Crown Counsel with Fiji DPP, Advisor to Forum Secretariat, Consultant to UNEP, Deputy Permanent Representative of Fiji to UN. Notary Public, Partner Howards |
| Appointed: Resigned: Directorship of other Corporations: | 4 June 2005 31 May 2008 Sydney Community Foundation | 22 May 1999 31 May 2008 Fijian Trust Fund |

Director's Report (continued)

DIRECTORS (continued)

| | | |
|--|--|--|
| Name: | Angela Mayersbach | Imrana Jalal |
| Age: | 49 (27 February 1959) | 48 (3 June 1960) |
| Experience: | Degrees & Post Grad Studies in Economics, Accounting and Psychology (majoring in Organisational Psychology) | Lawyer, Former Director for Greenpeace International, Human Rights Advisor for Regional Rights Resource Team in Fiji. |
| Appointed: | 31 May 2003 | 31 May 2003 |
| Directorship of other Corporations: | Nil | Fiji Women's Rights Movement Suva, St Joseph's Secondary School Board of Governors, International Council of Human Rights Policy Geneva, ANZ Bank Fiji Advisory Board, Commissioner- International Commission of Jurists, Geneva |
| Name: | Sean Kidney | Chris Nash |
| Age: | 51 (26 January 1957) | 56 (14 July 1952) |
| Experience: | Social Change Advisor, Former CEO of Social Change Media, Social Change Online, Pluto Press Australia. | Journalist, Professor of Journalism at Monash University, Former Director of the Australian Centre for Independent Journalism |
| Appointed: | 4 June 2007 | 31 May 2008 |
| Directorship of other Corporations: | Cleardocs Pty Ltd, Cleardocs Ltd (UK) | Nil |
| Name: | Brian Bunton | |
| Age: | 64 (8 April 1944) | |
| Experience: | Lawyer, Former Forest Campaigner for Greenpeace Australia Pacific, Former Judge of the National Court of PNG and Chair of the Law Reform Commission of PNG | |
| Appointed: | 31 May 2008 | |
| Directorship of other Corporations: | Alotau Environment Ltd | |

COMPANY SECRETARY

Mr Stewart Williams, BBusMNIA was appointed to the position of company secretary in January 2003.

Director's Report (continued)

DIRECTORS (continued)

DIRECTORS' MEETINGS

The number of directors' meetings (including meetings of committees of directors) and number of meetings attended by each of the directors of the company during the financial year are:

| | DIRECTORS' MEETINGS | | FINANCE COMMITTEE MEETINGS | |
|---------------------|----------------------------------|------------------------|-----------------------------------|------------------------|
| | Number eligible to attend | Number attended | Number eligible to attend | Number attended |
| Ann de Wachter | 6 | 6 | - | - |
| Robert Wilson | 6 | 6 | 4 | 4 |
| Graham E Leung | 3 | 1 | - | - |
| Angela Mayersbach | 6 | 5 | 4 | 2 |
| Imrana Jalal | 6 | 5 | - | - |
| Lynette Thorstensen | 3 | 1 | - | - |
| Sean Kidney | 6 | 6 | 4 | 4 |
| Chris Nash | 3 | 2 | - | - |
| Brian Brunton | 3 | 3 | - | - |

PRINCIPAL ACTIVITIES OF THE COMPANY

The principal activities of the company during the year were education of the public and independent campaigning to protect, preserve and enhance the natural environment and to promote nuclear disarmament and peace.

The company's main campaigns during the year were:

- Promoting urgent actions to reduce risks of human induced climate change and educating people about renewable energy solutions;
- Educating stakeholders about threats to the regional oceans from overfishing, pirate fishing and other ecosystem impacts, such as whaling;
- Supporting protection of Melanesia's ancient forests from industrial logging and destruction, and supporting solutions developed and run by village communities;
- Promoting a GE-free future and opposing commercial release of genetically engineered organisms into the environment; and
- Raising awareness of the case for closure of the nuclear industry, in order to replace it with non-radioactive alternatives.

All funds earned by the company are wholly utilised for the above activities. No benefits accrue to the company's members.

Director's Report (continued)

TRADING RESULTS

Greenpeace Australia Pacific Limited had an operating deficit of \$194k (2007 – surplus \$1.331m).

Fundraising income has continued the trend of the last two years and has registered a healthy growth, net income increasing by 5.4%.

Reserves of \$5.52m are in excess of what is required under our Reserves Policy. The excess will be used to fund strategic initiatives in our Campaign and Fundraising areas.

The organisation has received formal notification that it is exempt from income tax and accordingly no provision for income tax is required.

The increase in both total and net income was achieved in the face of some difficulties, namely; a change in banking regulations which affected the processing of credit card payments which had an adverse effect on our supporter base, the worsening economic climate and our new Head of Fundraising not commencing until February after a 4 month vacancy.

The stability of our income base remains high with approximately 90% sourced from regular auto-payments.

Fundraising costs were 35.6% (2007 – 37.7%) of total proceeds and 34.9% (2007 – 38.4%) of total expenditure.

In 2008 Campaign and Campaign Support spending was 55.7% (2007 – 52.2%) and Administration costs (referred to as Organisation Support) were 9.3% (2007 – 9.4%) of total expenditure.

We recognise that the economic climate will continue to deteriorate and have projected income and expenditure into 2009, and beyond, accordingly.

INGO Charter

Greenpeace Australia Pacific Limited is a signatory to the INGO charter and is compliant with all principles of the charter.

Director's Report (continued)

ENVIRONMENTAL ISSUES

The company's operations are subject to environmental regulations under laws of the Commonwealth and of States and Territories. Details of the company's performance in relation to such environmental regulations are as follows:

- When a campaign is undertaken that directly involves the handling of environmental waste, legal counsel is sought to ensure that no laws are broken; and
- All steps are taken to ensure the safety of people involved in activities to the highest possible standards, and that the environment itself is not harmed.

The directors are not aware that the company is in breach of any environmental regulations.

DIVIDENDS

Pursuant to the Articles of Association, the company is precluded from paying dividends.

REVIEW OF OPERATIONS

Greenpeace Australia-Pacific maintains offices in Sydney and Canberra in Australia, and in Port Moresby, Papua New Guinea; Suva, Fiji; and Honiara, Solomon Islands. Our operations ranged across the Pacific and into the Southern Ocean including strong participation in the international organisation.

Greenpeace Australia-Pacific's supporter base is approximately 100,000 individual financial supporters. Greenpeace does not accept funds from governments or corporations.

In 2008, Greenpeace Australia-Pacific continued to be involved in a number of activities in support of international conventions including the reduction of greenhouse gas emissions under the UN Kyoto Protocol, working with the Western and Central Pacific Fisheries Commission to protect tuna stocks, and working to stop Japan from whaling in the Southern Ocean whale sanctuary as delineated by the International Whaling Commission. Greenpeace Australia-Pacific also worked with traditional landowners in Papua New Guinea to maintain control of their lands, to stop illegal timber from being imported into Australia, and to stop illegal timber from being re-exported through China to European markets.

Greenpeace Australia Pacific continued its 30th Anniversary celebrations into 2008 with a photo-exhibit "30 Years of Inspiring Action 1977-2007" held in Brisbane, Melbourne, Adelaide and Perth.

Directors' Report (continued)

REVIEW OF OPERATIONS (continued)

Whales

The Greenpeace vessel M/Y Esperanza detected the Japanese whaling fleet inside the Southern Ocean whale sanctuary in early January. The whaling fleet ceased whaling, and for 15 days moved at high speed while accompanied by Esperanza. The Esperanza documented the re-fuelling of M/V Nisshin Maru by the M/V Oriental Bluebird and the transfer of whale meat from the Nisshin Maru to the Oriental Bluebird. Esperanza then visited Hobart, where over 1300 people visited the vessel to learn about whaling.

Greenpeace Australia-Pacific continued its petition drive with the Daily Telegraph and Channel 9.

Greenpeace Australia-Pacific attended the International Whaling Commission meeting in Chile in June.

In December the CEO of Greenpeace Australia Pacific travelled with a former captain of an Australian whaling vessel to Tokyo to discuss with concerned Japanese how the town of Albany, West Australia, was able to survive and prosper after whaling ended in Australia in 1978.

In December Greenpeace Australia-Pacific held a public event at Bondi Beach and sculpted a full size whale out of sand in support of two Greenpeace Japan activists who revealed a scandal on the mis-direction of whale meat in Japan.

Oceans

From April until June the M/Y Esperanza conducted a voyage in the South-West Pacific Ocean in support of reducing the amount of tuna fished to sustainable levels. The Esperanza made stops in Fiji and the Solomon Islands. While at sea, Esperanza and its helicopter documented fishing practises that contribute to overfishing, such as the transfer of catches from long-liners to refrigeration ships, and the use of fish aggregation devices (FADs). Permission to board long-lining vessels enabled the documentation of the contents of the fish-holds, which included illegal shark fins.

Greenpeace Australia-Pacific attended the June meeting of the Parties of the Nauru Agreement (PNA) comprised of the Federated States of Micronesia, Kiribati, Marshall Islands, Palau, Papua New Guinea, Solomon Islands, Tuvalu, Nauru. At that meeting PNA countries agreed they will include a clause to all their present access agreements that vessels that want to fish in their EEZs have to agree not to fish in international waters, ie the donut holes that Greenpeace is campaigning to turn into no-take marine reserves.

Greenpeace Australia-Pacific attended the Pacific Island Forum meeting in Niue in support of work on sustainable fisheries.

Greenpeace Australia-Pacific attended the Technical and Compliance Committee of the Western & Central Pacific Fisheries Commission that was held on Pohnpei in October.

Greenpeace Australia-Pacific attended the Western & Central Pacific Fisheries Commission meeting in South Korea in December where informal agreement was generated among Pacific Island members to support a Greenpeace call to close designated high seas areas.

Directors' Report (continued)

REVIEW OF OPERATIONS (continued)

Climate / Energy

Greenpeace Australia-Pacific directed much of its activity towards educating the public about the onslaught of dangerous climate change. The continued and rapid melting of Arctic sea ice, glaciers, and the Antarctic ice cap are among many warnings that the atmosphere is heating up much faster than the scientists of the UN panel on climate change predicted.

Greenpeace Australia-Pacific submitted a paper to the Garnaut Review on climate change, commissioned by the Commonwealth Government, and attended several public events related to the Review in Canberra, Sydney and Brisbane. Greenpeace advocated an emissions trading scheme where all carbon credits had to be purchased.

Greenpeace Australia-Pacific launched a second Energy [R]evolution report June 16, advocating the quick transfer of electricity from coal to renewable energy. The report used modelling by Greenpeace and Dr Hugh Saddler from Canberra-based Energy Strategies. Presentations were made to government officials in Canberra, Melbourne, Sydney and Brisbane.

In support of the Energy [R]evolution report, Esperanza toured seven east coast Australian cities (Sydney, Newcastle, Brisbane, Mackay, Airlie Beach, Townsville and Cairns) enabling over 5,000 to board the ship, view a presentation on climate change, and discuss climate change issues.

On July 1 the report "A Just Transition to a Renewable Energy Economy in the Hunter Region" was published. The report used coal-intensive Hunter Valley and Wyong regions as case studies to show how these communities can take advantage of employment within the renewable energy sector. The report was prepared by the Centre of Full Employment and Equity, University of Newcastle.

On July 27 Greenpeace Australia-Pacific released an opinion poll that revealed that 82% of Australians want Australia's coal exports capped or reduced.

At Airlie Beach in central Queensland Greenpeace Australia-Pacific supported a local community against a Shale Oil development and also to document Climate impacts on the Great Barrier Reef. The Esperanza joined a flotilla of more than 90 local vessels, part of a community of thousands fighting a proposed shale oil mine that threatens catastrophic impacts on the Great Barrier Reef. We were joined under water by world-renowned coral reef scientist, Dr Charlie Veron.

On August 25th, The Queensland Premier announced a 20-year moratorium on all new shale oil projects in the region. Local work was led by the Save Our Foreshore group.

Greenpeace Australia-Pacific attended the Poznan meeting of the United Nations climate change conference in December in Poland to support for a stronger protocol, so that the detailed negotiations can be agreed in Copenhagen in 2009. That would include an overall target for emissions reductions in the next decade, and the beginning of negotiations on a forests/climate mechanism.

Nuclear

Greenpeace Australia-Pacific provided media commentary and other communications work to ensure that nuclear power not be used as a substitute for developing renewable energy technologies.

Directors' Report (continued)

REVIEW OF OPERATIONS (continued)

Genetically Engineered Foods

In 2008 Greenpeace Australia-Pacific worked with farmers to keep the moratorium on GE canola in Tasmania, South Australia and West Australia; and in Victoria and New South Wales to minimize the amount of GE canola planted to well less than 1% of the crop. Greenpeace Australia-Pacific sponsored two Canadian farmers to speak of their experiences with GE crops.

The fifth edition of the True Food Guide was launched, outlining which manufacturers have agreed not to use GE ingredients in their products. Greenpeace Australia-Pacific launched the Chef's Charter against GE foods on May 29 at the Danks Street Depot in Sydney, and held subsequent events in Sydney, Melbourne and Canberra.

Greenpeace Australia Pacific began to work for food labelling laws for foods containing GE ingredients. A Newspann poll indicated that 90% of Australians want all GE products labelled.

Paradise Forest 2008

At the end of August the M/V Esperanza moved on to the Forests for Climate tour in Papua New Guinea.

After colourful arrival events in Port Moresby, that included a visit by the Governor-General to the vessel, Greenpeace Australia-Pacific intervened on behalf of land-owners in a dispute with the Malaysian logging company Rimbunan Hijau. This led to a small victory as the company committing to a review of the concession as demanded by the land-owners.

We documented 7 Rimbunan Hijau logging concessions and exposed breaches of the logging code of practice, woeful conditions for workers, including no safety equipment and debt slavery, no infrastructure development and no tangible benefits for the local communities. We also documented New Britain Palm Oil Ltd (NBPOL) prior to a meeting they had with GPI in London, that generated good campaign momentum.

The Governor for Gulf Province has publicly called on Rimbunan Hijau to leave his province as a result of our investigation. He has also voiced his interest in protecting the forests for future generations and benefiting from carbon financing. The Governor General of PNG spoke out in support of our campaign.

The campaign outputs were used by the GPI team working on the EU legislation. Two cyberactions were conducted, using our material, targeting Barossi – the president of the EU, in order to push the parliament to finalise the bill.

Over the next 12 months we will be ramping up the focus of our work on the Forest for Climate proposal in the UNFCCC negotiations up to Copenhagen. PNG is one of the main champions of the Coalition for Rainforest Nations – which is pushing a very poor markets based carbon financing scheme. In December we released a report "Preserving Paradise" which looks at the substantial contribution PNGs forests could make to a helping the fight against climate change.

Directors' Report (continued)

REVIEW OF OPERATIONS (continued)

Paradise Forest 2008 (continued)

We will also be looking at deploying a "bridging" system in the Paradise Forest, Congo and Amazon, that gets carbon financing money flowing into protect forests before 2012, and to demonstrate the viability of the system

STATE OF AFFAIRS

In the opinion of the Directors there were no significant changes in the state of affairs of the company that occurred during the financial year under review.

EVENTS SUBSEQUENT TO BALANCE DATE

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the company, to affect significantly the operations of the company, the results of its operations, or the state of affairs of the company, in future financial years.

LEAD AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration is set out on page 10 and forms part of the director's report for financial year 2008.

REGISTERED OFFICE

The company's registered office is as follows:

Greenpeace Australia Pacific Limited
Level 4
39 Liverpool Street,
Sydney, NSW, 2000

INDEMNIFYING OFFICER OR AUDITOR

The company has not, during or since the end of the financial year, in respect of any person who is or has been an officer or auditor of the company or a related body corporate:

- Indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings; or
- Paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings.

Signed in accordance with a resolution of the directors:



Ann de Wachter
Director

Dated at Sydney this 12th day of March 2009

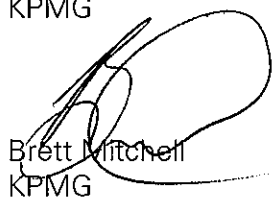
Lead auditor's independence declaration under Section 307C of the Corporations Act 2001

To: the directors of Greenpeace Australia Pacific Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 31 December 2008 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG
KPMG



Brett Mitchell
KPMG

Sydney

12 March 2009

Income statement
For the year ended 31 December 2008

| | Note | 2008 | 2007 |
|--|-------------|---------------------|---------------------|
| | | \$ | \$ |
| Revenue: | | | |
| Fundraising revenue | 4(a) | 19,897,587 | 18,883,921 |
| Other income | 4(b) | 153,895 | 669,973 |
| Total revenue | | <u>20,051,482</u> | <u>19,553,894</u> |
| Fundraising expenditure | | (7,220,717) | (7,142,222) |
| Campaigning expenditure | | (11,462,569) | (9,686,302) |
| Organisational support | | (1,933,081) | (1,666,794) |
| | | <u>(20,616,367)</u> | <u>(18,495,318)</u> |
| Surplus/(deficit) from operating activities | | <u>(564,885)</u> | <u>1,058,576</u> |
| Financial income | 4(c) | 421,448 | 354,349 |
| Financial expenses | 4(d) | (50,555) | (81,610) |
| Net financing income | | <u>370,893</u> | <u>272,739</u> |
| Surplus before income tax expense | | (193,992) | 1,331,315 |
| Income tax expense | 3(h) | <u>-</u> | <u>-</u> |
| Net surplus for the period | | <u>(193,992)</u> | <u>1,331,315</u> |

The income statement is to be read in conjunction with the notes to the financial statements set out on pages 15 to 32.

Statement of changes in accumulated funds
For the year ended 31 December 2008

| | Accumulated surplus | Bequest Reserve | Total Equity |
|---|--------------------------------|----------------------------|-------------------------|
| | \$ | \$ | \$ |
| Opening balance 1 January 2007 | 2,342,079 | 2,037,242 | 4,379,321 |
| Net surplus/(deficit) for the period | 1,331,315 | - | 1,331,315 |
| Transfer (to)/from reserves | (252,306) | 252,306 | - |
| Closing balance 31 December 2007 | <u>3,421,088</u> | <u>2,289,548</u> | <u>5,710,636</u> |
| Opening balance 1 January 2008 | 3,421,088 | 2,289,548 | 5,710,636 |
| Net surplus/(deficit) for the period | (193,992) | - | (193,992) |
| Transfer (to)/from reserves | 531,174 | (531,174) | - |
| Closing balance 31 December 2008 | <u>3,758,270</u> | <u>1,758,374</u> | <u>5,516,644</u> |

The statement of changes in accumulated funds is to be read in conjunction with the notes to the financial statements set out on pages 15 to 32.

Balance sheet
As at 31 December 2008

| | Notes | 2008 \$ | 2007 \$ |
|--------------------------------------|-------|------------------|------------------|
| Current assets | | | |
| Cash and cash equivalents | 8 | 5,667,417 | 6,477,406 |
| Receivables | 9 | 332,387 | 286,615 |
| Other current assets | 10 | 110,810 | 251,493 |
| Total current assets | | <u>6,110,614</u> | <u>7,015,514</u> |
| Non-current assets | | | |
| Property, plant and equipment | 11 | 1,153,303 | 990,477 |
| Total non-current assets | | <u>1,153,303</u> | <u>990,477</u> |
| Total assets | | <u>7,263,917</u> | <u>8,005,991</u> |
| Current liabilities | | | |
| Payables | 12 | 648,325 | 743,415 |
| Deferred revenue | 13 | 355,755 | 930,954 |
| Employee benefits | 14 | 743,193 | 523,533 |
| Total current liabilities | | <u>1,747,273</u> | <u>2,197,902</u> |
| Non-current liabilities | | | |
| Employee benefits | 14 | - | 97,453 |
| Total non-current liabilities | | <u>-</u> | <u>97,453</u> |
| Total liabilities | | <u>1,747,273</u> | <u>2,295,355</u> |
| Net assets | | <u>5,516,644</u> | <u>5,710,636</u> |
| Accumulated funds | | | |
| Accumulated surplus | | 3,758,270 | 3,421,088 |
| Reserves | | 1,758,374 | 2,289,548 |
| Total accumulated funds | | <u>5,516,644</u> | <u>5,710,636</u> |

The balance sheet is to be read in conjunction with the notes to the financial statements set out on pages 15 to 32.

Statement of cash flows
For the year ended 31 December 2008

| | Notes | 2008 \$ | 2007 \$ |
|---|-------|--------------|--------------|
| Cash flows from operating activities | | | |
| Cash receipts from supporters | | 21,332,764 | 19,967,707 |
| Cash payments to suppliers and employees | | (22,190,139) | (19,834,752) |
| Cash generated from operations | | (857,375) | 132,955 |
| Interest received | | 418,900 | 348,842 |
| Net cash from operating activities | 15 | (438,475) | 481,797 |
| Cash flows from investing activities | | | |
| Proceeds from sale of property, plant and equipment | | - | 1,241 |
| Acquisition of property, plant and equipment | | (371,514) | (213,150) |
| Net cash from investing activities | | (371,514) | (211,909) |
| Net increase in cash and cash equivalents | | (809,989) | 269,888 |
| Cash and cash equivalents at 1 January | | 6,477,406 | 6,207,518 |
| Cash and cash equivalents at 31 December | 8 | 5,667,417 | 6,477,406 |

The statement of cash flows is to be read in conjunction with the notes to the financial statements set out on pages 15 to 32.

Notes to the financial statements

1. Reporting entity

Greenpeace Australia-Pacific Limited (the "Company") is a company domiciled in Australia. The address of the Company's registered office is Level 4, 39 Liverpool Street, Sydney NSW 2000. The Company primarily is involved in the education of public and independent campaigning to protect, preserve and enhance the natural environment and to promote nuclear disarmament and peace.

2. Basis of preparation

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards ("AASB's") (including Australian Interpretations) adopted by the Australian Accounting Standards Board ("AASB") (including Australian Accounting Interpretations) and the Corporations Act 2001. The financial report of the company also complies with with International Financial Reporting Standards (IFRS's) and interpretations adopted by the International Accounting Standards Board (IASB).

The financial report was authorised for issue by the directors on 12 March 2009.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Company's functional currency.

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

Notes to the financial statements

3. Significant accounting policies

(a) Property, plant and equipment

Owned assets

Items of property, plant and equipment are stated at cost less accumulated depreciation (see below) and impairment losses (see accounting policy c). Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Only assets purchased with a value in excess of \$2,000 are capitalised.

Depreciation

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives in the current and comparative periods are as follows:

- | | |
|---------------------------|---------------|
| • Buildings | 40 years |
| • Furniture and equipment | 3 – 4 years |
| • Motor vehicles | 4 years |
| • Information technology | 3 years |
| • Ships | 10 years |
| • Boats | 4 years |
| • Leasehold improvements | 2.7 – 4 years |

The residual value, if not insignificant, is reassessed annually.

(b) Cash and cash equivalents

Cash and cash equivalents comprises cash balances and call deposits.

Notes to the financial statements

3. Significant accounting policies (continued)

(c) Impairment

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indicator exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement, unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through profit or loss.

(i) Calculation of recoverable amount

The recoverable amount of the Company's receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e., the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(ii) Reversals of impairment

An impairment loss in respect of a receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(d) Receivables

Receivables are stated at their cost less impairment losses (see accounting policy c).

Notes to the financial statements

3. Significant accounting policies (continued)

(e) Employee benefits

Wages, salaries, annual leave and sick leave

Liabilities for employee entitlements to wages, salaries (including non-monetary benefits), annual leave and sick leave to be settled within 12 months of the reporting date representing present obligations resulting from employees' services provided up to the reporting date, calculated at undiscounted amounts based on remuneration rates that the company expects to pay including related on-costs.

Long service leave

The provision for employee entitlements to long service leave represents the present value of the estimated future cash outflows, to be made resulting from employees' services provided to reporting date.

The provision is calculated using estimated future increases in wage and salary rates including related on-costs and expected settlement dates based on turnover history and is discounted using the rates attached to national government securities at balance date which most closely match the terms of maturity of the related liabilities.

(f) Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received. Trade accounts payable are usually settled within 30 days.

(g) Revenue

Income in the form of bequests, donations and contributions is recognised in the year in which they are received.

Conditional bequests and grants are treated as a liability until the condition relating to the bequest or grant has been satisfied. Conditional bequests and grants are then recognised as income.

Sales revenue represents gross proceeds received and receivable from sales of merchandise to customers.

Interest revenue is recognised as it accrues.

The net gain of non-current asset sales are included in other income at the date control of the asset passes to the buyer. The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

Notes to the financial statements

3. Significant accounting policies (continued)

(g) Revenue (continued)

Paradise Forests

The company received funds from Stichting Greenpeace Nederland pursuant to a funding agreement to manage a specific project being the protection of the Paradise Forest. Unspent monies on the project are required to be returned to Stichting Greenpeace Nederland and accordingly income is only brought to account in line with expenditure made.

(h) Income tax

The company has received written confirmation from the Deputy Commissioner of Taxation that it is exempt from income tax pursuant to Section 50-10 of the Income Tax Assessment Act 1997. Accordingly no provision for income tax is required.

(i) Foreign currency

Transactions

Foreign currency transactions are translated to Australian currency at the rates of exchange ruling at the dates of the transactions. Amounts receivable and payable in foreign currencies at balance date are translated at the rates of exchange ruling on that date.

Exchange differences relating to amounts payable and receivable in foreign currencies are brought to account as exchange gains or losses in the income statement in the financial year in which the exchange rates change.

(j) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from the ATO is included as a current asset in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

Notes to the financial statements

3. Significant accounting policies (continued)

(k) Reserves/Surplus

Reserves are held to meet all identifiable liabilities the organisation may face in the event of a sudden cessation of operations. These liabilities are quantified and subjected to a risk assessment as part of the annual budget setting process. The level of reserves is set by the Board annually.

Any surplus in excess of the reserves level is held to enable investment into campaigning, fundraising or organisational strategic opportunities.

Bequests are only spent on campaigning. Due to the unpredictability of this form of income, each year an amount is transferred from/(to) the Bequest Reserve equal to the difference between bequests received during the year and an amount equal to the average of bequests received in the previous three years.

(l) Expenses

Net financing costs comprise interest payable on borrowings calculated using the effective interest method, interest receivable on funds invested and foreign exchange gains and losses.

Interest income is recognised in the income statement as it accrues, using the effective interest method.

(m) Segment reporting

Greenpeace Australia Pacific Limited has early adopted AASB 8 Operating Segments (AASB 8) and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8. As a result no segment reporting accounting policy is required.

(n) New standards and interpretations not yet adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the entity in the period of initial application. They are available for early adoption at 31 December 2008, but have not been applied in preparing this financial report. The Company has not yet determined the potential effect of the revised standard on the Company's financial statements or disclosures:

- Revised AASB 101 *Presentation of Financial Statements* introduces as a financial statement (formerly "primary" statement) the "statement of comprehensive income". The revised standard does not change the recognition, measurement or disclosure of transactions and events that are required by other AASBs. The revised AASB 101 will become mandatory for the Company's 31 December 2010 financial statements.

Notes to the financial statements

| | 2008 | 2007 |
|---|-------------------|-------------------|
| | \$ | \$ |
| 4 (a) Revenue | | |
| Fundraising revenue: | | |
| Supporter recruitment | 2,174,715 | 2,667,606 |
| Regular auto-giving | 14,667,758 | 13,707,788 |
| Membership renewals | 602,241 | 279,415 |
| Special appeals | 404,656 | 340,026 |
| Major donations & foundations | 1,649,990 | 869,266 |
| Bequest income | 398,230 | 1,019,820 |
| | <u>19,897,587</u> | <u>18,883,921</u> |
| (b) Other income | | |
| Net gain on disposal of plant and equipment | (969) | 545 |
| Paradise Forests | 101,770 | 633,352 |
| Other income | 53,094 | 36,076 |
| | <u>153,895</u> | <u>669,973</u> |
| (c) Financial income | | |
| Interest income | 421,448 | 354,341 |
| Foreign exchange gain | - | 8 |
| | <u>421,448</u> | <u>354,349</u> |
| (d) Financial expenses | | |
| Interest expense | 73 | 11 |
| Foreign exchange loss | 50,482 | 81,599 |
| | <u>50,555</u> | <u>81,610</u> |
| 5 Personnel expenses | | |
| Wages, salaries and superannuation | <u>7,572,408</u> | <u>5,768,682</u> |
| 6 Auditors' remuneration | | |
| Audit services | | |
| Auditors of the Company | | |
| <i>KPMG Australia:</i> | | |
| Audit of financial reports | 32,300 | 31,300 |
| Other audit services | 3,500 | 3,200 |
| | <u>35,800</u> | <u>34,500</u> |

Notes to the financial statements

| | 2008 | 2007 |
|---|------------------|------------------|
| | \$ | \$ |
| 7 Director's Compensation | | |
| The board approved payment of an honorarium for the Board Chair in recognition of the significant time required to fulfil the duties of the position. | | |
| Honorarium paid | <u>30,000</u> | <u>25,000</u> |
| Directors received reimbursement of expenses only. | | |
| 8 Cash and cash equivalents | | |
| On hand | 5,563 | 5,156 |
| On deposit | 4,646,323 | 4,949,049 |
| At bank | 1,011,326 | 1,516,506 |
| Paradise Forest Euro account | 4,205 | 6,695 |
| | <u>5,667,417</u> | <u>6,477,406</u> |
| The weighted interest rate at balance sheet date for cash and cash equivalents is 3.7% (2007: 6.3%). The effective interest rates are for periods less than 6 months. | | |
| 9 Receivables | | |
| Security deposits | 43,963 | 54,500 |
| Other debtors | 157,459 | 210,571 |
| Advances to: | | |
| Greenpeace International | 12,910 | - |
| Greenpeace South-East Asia | 5,769 | - |
| Greenpeace France | - | 751 |
| Greenpeace New Zealand | - | 10,891 |
| Greenpeace UK | 52 | - |
| Greenpeace China | 112,234 | 9,902 |
| | <u>332,387</u> | <u>286,615</u> |
| 10 Other | | |
| Advances | 17,368 | 11,329 |
| Prepayments | 93,442 | 240,164 |
| | <u>110,810</u> | <u>251,493</u> |

Notes to the financial statements

11 Property, plant and equipment

| Cost | Land & buildings | Leasehold improvements | Furniture & equipment | Information technology | Vehicles | Boats | Other | Total |
|-----------------------------|-----------------------------|-------------------------------|----------------------------------|-------------------------------|-----------------|--------------|--------------|--------------|
| Balance at 1 January 2007 | 719,311 | 451,346 | 149,901 | 905,520 | 258,568 | - | 1,420 | 2,486,066 |
| Other acquisitions | - | - | 12,857 | 88,649 | 39,568 | 72,076 | - | 213,150 |
| Disposals | - | (17,860) | (10,543) | (8,181) | - | - | - | (36,584) |
| Balance at 31 December 2007 | 719,311 | 433,486 | 152,215 | 985,988 | 298,136 | 72,076 | 1,420 | 2,662,632 |
| Balance at 1 January 2008 | 719,311 | 433,486 | 152,215 | 985,988 | 298,136 | 72,076 | 1,420 | 2,662,632 |
| Other acquisitions | - | - | 14,342 | 132,643 | 65,083 | 159,446 | - | 371,514 |
| Disposals | - | - | (7,701) | (393,714) | (6,374) | - | - | (407,789) |
| Balance at 31 December 2008 | 719,311 | 433,486 | 158,856 | 724,917 | 356,845 | 231,522 | 1,420 | 2,626,357 |

Notes to the financial statements

11 Property, plant and equipment (continued)

Depreciation and impairment losses

| | Land & buildings | Leasehold improvements | Furniture & equipment | Information technology | Vehicles | Boats | Other | Total |
|----------------------------------|------------------|------------------------|-----------------------|------------------------|----------|-------|-------|-----------|
| Balance at 1 January 2007 | 37,917 | 428,065 | 133,994 | 720,969 | 186,959 | - | - | 1,507,904 |
| Depreciation charge for the year | 20,559 | 20,208 | 9,309 | 118,939 | 31,124 | - | - | 200,139 |
| Disposals | - | (17,860) | (10,543) | (7,485) | - | - | - | (35,888) |
| Balance at 31 December 2007 | 58,476 | 430,413 | 132,760 | 832,423 | 218,083 | - | - | 1,672,155 |
| Balance at 1 January 2008 | 58,476 | 430,413 | 132,760 | 832,423 | 218,083 | - | - | 1,672,155 |
| Depreciation charge for the year | 20,614 | 3,073 | 11,489 | 108,140 | 37,945 | 6,787 | - | 188,048 |
| Disposals | - | - | (3,701) | (381,038) | (2,410) | - | - | (387,149) |
| Balance at 31 December 2008 | 79,090 | 433,486 | 140,548 | 559,525 | 253,618 | 6,787 | - | 1,473,054 |

Carrying amounts

| | | | | | | | | |
|---------------------|---------|--------|--------|---------|---------|---------|-------|-----------|
| At 1 January 2007 | 681,394 | 23,281 | 15,907 | 184,551 | 71,609 | - | 1,420 | 978,162 |
| At 31 December 2007 | 660,835 | 3,073 | 19,455 | 153,565 | 80,053 | 72,076 | 1,420 | 990,477 |
| At 1 January 2008 | 660,835 | 3,073 | 19,455 | 153,565 | 80,053 | 72,076 | 1,420 | 990,477 |
| At 31 December 2008 | 640,221 | - | 18,308 | 165,392 | 103,227 | 224,735 | 1,420 | 1,153,303 |

Notes to the financial statements

| | 2008 | 2007 |
|------------------------------|----------------|----------------|
| | \$ | \$ |
| 12 Payables | | |
| Current | | |
| Trade creditors | 582,414 | 421,915 |
| Other creditors and accruals | 11,916 | 138,766 |
| Loans from: | | |
| Greenpeace International | - | 81,200 |
| Greenpeace Brazil | 6,000 | - |
| Greenpeace New Zealand | 44,327 | - |
| Greenpeace USA | - | 929 |
| Greenpeace UK Ltd | - | 69,644 |
| Greenpeace Germany | 2,871 | - |
| Greenpeace Sweden | 79 | - |
| Greenpeace Switzerland | 718 | - |
| Greenpeace South-East Asia | - | 30,961 |
| | <u>648,325</u> | <u>743,415</u> |
| 13 Deferred income | | |
| Protection of Whales | 355,755 | - |
| Paradise Forest project | - | 917,665 |
| Other projects | - | 13,289 |
| | <u>355,755</u> | <u>930,954</u> |
| 14 Employee benefits | | |
| Current | | |
| Employee benefits | <u>743,193</u> | <u>523,533</u> |
| Non-Current | | |
| Employee benefits | <u>-</u> | <u>97,453</u> |

Notes to the financial statements

| | Note | 2008 \$ | 2007 \$ |
|---|------|------------|-------------|
| 15 Reconciliation of cash flows from operating activities | | | |
| Cash flows from operating activities | | | |
| Surplus/(deficit) for the period | | (193,992) | 1,331,315 |
| Adjusted for: | | | |
| Depreciation | 11 | 184,975 | 179,931 |
| Amortisation | 11 | 3,073 | 20,208 |
| Interest income | | (421,448) | (354,349) |
| (Profit)/loss on sale of non-current assets | | 969 | (545) |
| Operating surplus before changes in working capital and provisions | | (426,423) | 1,176,560 |
| (Increase)/decrease in receivables and other assets | | 118,233 | (6,445) |
| Increase/(decrease) in payables/deferred income | | (671,393) | (1,125,842) |
| Increase/(decrease) in provisions | | 122,207 | 88,682 |
| Cash generated from operations | | (857,376) | 132,955 |
| Interest received | | 418,901 | 348,842 |
| Net cash from operating activities | | (438,475) | 481,797 |

16 Members' guarantee

The company is limited by guarantee. If the company is wound up, the articles of association state that each member is required to contribute a maximum of \$5 towards meeting any outstanding obligations of the company. At 31 December 2008 the number of members was 63 (2007 – 56).

17 Related party disclosures

Directors

The names of directors in office at any time during the financial year were:

| | |
|----------------|---------------------|
| Ann de Wachter | Lynette Thorstensen |
| Robert Wilson | Angela Mayersbach |
| Graham Leung | Imrana Jalal |
| Sean Kidney | Chris Nash |
| Brian Brunton | |

Refer to note 7 for details of director's compensation.

Notes to the financial statements

| | 2008 | 2007 |
|---|-------------|-------------|
| | \$ | \$ |
| 17 Related party disclosures (continued) | | |
| Other related parties | | |
| <i>Loans</i> | | |
| Loans between related entities are disclosed at notes 9 and 12. | | |
| These loans are interest free and repayable on demand. | | |
| <i>Other transactions</i> | | |
| During the year contributions were made to: | | |
| Greenpeace International Ltd | 3,961,772 | 3,666,434 |
| During the year cash was transferred to/(from): | | |
| Greenpeace International Ltd | 2,800,000 | 2,860,165 |
| During the year the company also applied funds on behalf of: | | |
| Greenpeace International Ltd | - | 1,356,075 |
| Greenpeace Brazil Ltd | - | 68,993 |
| Greenpeace China Ltd | 132,648 | 195,431 |
| Greenpeace European Unit Ltd | 1,904 | - |
| Greenpeace India Ltd | - | 3,589 |
| Greenpeace Japan Ltd | 12,542 | 6,868 |
| Greenpeace Netherlands Ltd | - | 190 |
| Greenpeace New Zealand Ltd | 111,808 | 65,153 |
| Greenpeace South East Asia Ltd | 277,925 | 92,273 |
| Greenpeace United Kingdom Ltd | 262,476 | 18,451 |
| Greenpeace USA Ltd | 4608 | 2,214 |

Notes to the financial statements

17 Related party disclosures (continued)

| | 2008 | 2007 |
|---|-------------|-------------|
| | \$ | \$ |
| During the year funds were applied on behalf of the company by: | | |
| Greenpeace Brazil Ltd | 6,000 | 68,993 |
| Greenpeace Canada Ltd | - | 596 |
| Greenpeace China Ltd | 84,522 | 171,597 |
| Greenpeace European Unit Ltd | 1,904 | - |
| Greenpeace France Ltd | 751 | - |
| Greenpeace Germany Ltd | 2,773 | - |
| Greenpeace Italy Ltd | - | 729 |
| Greenpeace Japan Ltd | 12,542 | - |
| Greenpeace Netherlands Ltd | - | 190 |
| Greenpeace Nordic | 79 | - |
| Greenpeace New Zealand Ltd | 183,079 | 72,560 |
| Greenpeace South East Asia Ltd | 176,356 | 251,956 |
| Greenpeace Switzerland Ltd | 718 | - |
| Greenpeace United Kingdom Ltd | 189,445 | 73,903 |
| Greenpeace USA Ltd | 3,902 | 1,114 |

18 Financial risk management

The Company has exposure to credit risk, liquidity risk and market risk in the normal course of the Company's business.

This note presents information about the Company's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout this financial report.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework and for developing and monitoring risk management policies.

Risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations.

Cash and bank deposits

Cash and bank deposits are placed with financial institutions which are regulated and management does not expect any counterparty to fail to meet its obligations.

Notes to the financial statements

18 Financial risk management (continued)

Trade and other receivables

Management monitors balances on an ongoing basis and does not require collateral in respect of receivables.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

Interest rate risk

The Company's exposure to changes in interest rates relates primarily to interest-bearing financial assets. The details of the interest rates relating to the interest-bearing financial assets are disclosed in Note 8.

Currency risk

The company is exposed to foreign currency risk on transactions with related parties including projects/campaign costs and borrowings that are denominated in a currency other than Australian Dollars. The currencies giving rise to this risk are primarily Fijian Dollar, Papua New Guinea Kina and Euro.

In respect of other monetary assets and liabilities held in currencies other than Australian Dollars, the company ensures that the net exposure is kept to an acceptable level, by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances.

Notes to the financial statements

19 Financial Instruments

Credit risk

Exposure to credit risk

The carrying amount of the Company's financial assets represents the maximum credit exposure. The Company's maximum exposure to credit risk at the reporting date was:

| | | 2008 | 2007 |
|---------------------------|--------|------------------|------------------|
| | | \$ | \$ |
| Receivables | Note 9 | 332,387 | 286,615 |
| Cash and cash equivalents | 8 | 5,667,417 | 6,477,406 |
| | | <u>5,999,804</u> | <u>6,764,021</u> |

Investments are allowed only in liquid securities and only with counterparties that have a credit rating equal to or better than the company.

There are no past due receivables. At the balance sheet date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Liquidity risk

All financial assets and liabilities mature within 6 months of the reporting date.

Fair values

The net fair value of all assets and liabilities in the balance sheet approximates their carrying values.

Notes to the financial statements

20 Segment reporting

The company promotes public awareness of environmental issues and runs campaigns against environmentally destructive activities, using funds raised from various activities. The company's operations are within the Australian Pacific region. Any international campaigns are undertaken on behalf of Greenpeace International Ltd.

| | 2008 | 2007 |
|---|----------------|----------------|
| | \$ | \$ |
| 21 Commitments | | |
| Operating lease commitment: | | |
| Non-cancellable operating lease rentals are payable as follows: | | |
| - Less than one year | 378,872 | 348,743 |
| - Between one and five years | <u>53,438</u> | <u>35,431</u> |
| | <u>432,310</u> | <u>384,174</u> |

The company entity leases a number of warehouse and office facilities under operating leases. The leases typically run for a period of 3 years, with an option to renew the lease after that date. Lease payments are increased every year to reflect market rentals. None of the leases includes contingent rentals.

Notes to the financial statements

| | 2008 | 2007 |
|--|---------------|---------------|
| | \$ | \$ |
| 22 Fundraising Act Disclosures | | |
| Results of Fundraising Appeals | | |
| Gross Proceeds from fundraising appeals | 19,897 | 18,884 |
| Less: Direct Costs of fundraising appeals | 7,220 | 7,142 |
| Net surplus from fundraising appeals | <u>12,677</u> | <u>11,742</u> |
| Application of net surplus obtained from fundraising appeals | | |
| Campaigning | 11,514 | 9,686 |
| Administration | 1,931 | 1,748 |
| | <u>13,445</u> | <u>11,434</u> |
| Surplus transferred to/(from) Accumulated Surplus | <u>(768)</u> | <u>308</u> |
| Refer to the Reserves Accounting Policy Note for an explanation of how the net surplus from fundraising is applied. | | |
| Analytical Percentages in accordance with Charitable Fundraising Act (NSW) 1991. | | |
| Fundraising | | |
| Total fundraising costs to fundraising gross income | 36.3% | 38.0% |
| Net surplus from fundraising to fundraising gross income | 64.7% | 62.0% |
| Campaigns | | |
| Total cost of campaigns to total expenditure | 55.7% | 52.1% |
| Total cost of campaigns to total income | 56.2% | 49.5% |
| Refer to Accounting Policies for policy notes relevant to fundraising. | | |
| There are no material issues or events that are expected to impact on fundraising. | | |
| Appeals conducted throughout the year ended 31 December 2008 | | |
| <ul style="list-style-type: none"> - High Giving - Trusts and Foundations - Personalised High Giving programme - Conversions - One off giving to Regular Giving - Community Fundraising - End of Calendar year giving - End of Tax year giving | | |

Directors' declaration

In the opinion of the directors of Greenpeace Australia Pacific Limited:

- (a) the financial statements and notes, set out on pages 11 to 32, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the Company as at 31 December 2008 and of its performance, as represented by the results of its operations and its cash flows, for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:



Ann de Wachter
Director

Dated at Sydney this 12th day of March 2009

DECLARATION BY CHAIRPERSON OF THE EXECUTIVE COMMITTEE

IN RESPECT OF FUNDRAISING APPEALS PURSUANT TO

SECTION 7(5) OF THE CHARITABLE FUNDRAISING

ACT 1991 - REGULATION

I, Ann de Wachter, Chairperson of the executive committee of Greenpeace Australia Pacific Limited, declare, in my opinion:

- (a) the financial statements give a true and fair view of all income and expenditure of Greenpeace Australia Pacific Limited with respect to fundraising appeals;
- (b) the balance sheet gives a true and fair view of the state of affairs with respect to fundraising appeals;
- (c) the provisions of the Charitable Fundraising Act (NSW) 1991 and the regulations under that Act and the conditions attached to the authority have been complied with for the period 1 January 2008 to 31 December 2008; and
- (d) the internal controls exercised by Greenpeace Australia Pacific Limited are appropriate and effective in accounting for all income received.

Dated at Sydney this 12th day of March 2009



Ann de Wachter
Chairperson of the Committee

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF GREENPEACE AUSTRALIA PACIFIC LIMITED

We have audited the accompanying financial report of Greenpeace Australia Pacific Limited for the financial year ended 31 December 2008, which comprises the balance sheet as at 31 December 2008 and the income statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies, other explanatory notes and the directors' declaration set out on pages 11 to 33.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In note 2 (a), the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards (including the Australian Accounting Interpretations), a view which is consistent with our understanding of the Company's financial position and of its performance. In addition, our audit report has also been prepared for the members of the company in accordance with Section 24(2) of the Charitable Fundraising (NSW) Act 1991. Accordingly we have performed additional work beyond that which is performed in our capacity as auditors pursuant to the *Corporations Act 2001*. These additional procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the Charitable Fundraising (NSW) Act 1991 and Regulations

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF GREENPEACE AUSTRALIA PACIFIC LIMITED (Continued)

It should be noted that the accounting records and data relied upon for reporting on fundraising appeal activities are not continuously audited and do not necessarily reflect after the event accounting adjustments and the normal year end financial adjustments for such matters as accruals, prepayments, provisioning and valuations necessary for year end financial report preparation.

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

Unqualified auditor's opinion pursuant to the Corporations Act 2001

In our opinion, the financial report of Greenpeace Australia Pacific Limited is in accordance with:

- a) the Corporations Act 2001, including:
 - i. giving a true and fair view of the company's financial position as at 31 December 2008 and of its performance for the year ended on that date; and
 - ii. complying Australian Accounting Standards and the Corporations Regulations 2001; and
- b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2.

Unqualified audit opinion pursuant to the Charitable Fundraising (NSW) Act 1991

In our opinion:

- a) the financial report gives a true and fair view of the financial result of fundraising appeal activities for the financial year ended 31 December 2008;
- b) the financial report has been properly drawn up, and the associated records have been properly kept for the period from 1 January 2008 to 31 December 2008, in accordance with the Charitable Fundraising (NSW) Act 1991 and Regulations;
- c) money received as a result of fundraising appeal activities conducted during the period from 1 January 2008 to 31 December 2008 has been properly accounted for and applied in accordance with the Charitable Fundraising (NSW) Act 1991 and Regulations; and
- d) there are reasonable grounds to believe that Greenpeace Australia Pacific Limited will be able to pay its debts as and when they fall due.

KPMG
KPMG



Brett Mitchell
Partner

Sydney, 12 March 2009

DISCLAIMER TO THE MEMBERS OF GREENPEACE AUSTRALIA PACIFIC LIMITED

The additional financial information presented on pages 38 and 39 is in accordance with the books and records of Greenpeace Australia Pacific Limited which has been subjected to the auditing procedures applied in our statutory audit of the company for the year ended 31 December 2008. It will be appreciated that our statutory audit did not cover all details of the additional financial information. Accordingly, we do not express an opinion on such financial information and no warranty of accuracy or reliability is given.

In accordance with our firm policy, we advise that neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any person (other than the company) in respect of such information, including any errors or omissions therein, arising through negligence or otherwise however caused.

KPMG

KPMG

GREENPEACE AUSTRALIA PACIFIC LIMITED
ABN 61 002 643 852

FINANCIAL DATA (EXCLUDING PARADISE FOREST OPERATIONS)
INCOME AND EXPENDITURE STATEMENT

For the year ended 31 December 2008

| | 2008 | 2007 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| INCOME | | |
| Supporter Recruitment | | |
| Auto payment | 1,605 | 2,342 |
| Other | 570 | 326 |
| Existing Supporters | | |
| Autopayment | 14,668 | 13,708 |
| Special Appeals | 405 | 340 |
| Other | 602 | 279 |
| Other Fundraising Income | | |
| Major Donors & Foundations | 1,226 | 824 |
| Bequest income | 398 | 1,020 |
| Other | 22 | 11 |
| Other Income | | |
| Interest received | 421 | 349 |
| Profit on sale of fixed assets | (1) | 1 |
| Other | 31 | 25 |
| | <u>19,947</u> | <u>19,225</u> |
| EXPENDITURES | | |
| Fundraising | | |
| Recruitment investment | 4,258 | 4,800 |
| Supporter communication and maintenance | 2,962 | 2,342 |
| | <u>7,220</u> | <u>7,142</u> |
| Total Fundraising Expenditure | | |
| Campaigning | | |
| Oceans | 537 | 436 |
| Toxics | 11 | - |
| Climate / Energy | 1,372 | 1,249 |
| Forests | 1,045 | 622 |
| Genetic Engineering | 402 | 167 |
| Media & Communications | 1,660 | 1,366 |
| Marine Operations & Action support | 984 | 838 |
| Public Information | 653 | 266 |
| Political, Science & Business | 262 | 156 |
| Other issues | 93 | - |
| Contribution to International Campaigning | 3,969 | 3,735 |
| Total Campaigning Expenditure | <u>10,988</u> | <u>8,835</u> |
| Organisational Support | 1,933 | 1,748 |
| Total expenditure | <u>20,141</u> | <u>17,725</u> |
| Operating surplus/(deficit) | <u>(194)</u> | <u>1,500</u> |
| Transfer (to)/from reserves | <u>531</u> | <u>(252)</u> |
| | <u>337</u> | <u>1,246</u> |

This financial data should be read in conjunction with the disclaimer on page 37.

FINANCIAL DATA PARADISE FOREST OPERATIONS
INCOME AND EXPENDITURE STATEMENT

For the year ended 31 December 2008

| | 2008 | 2007 |
|----------------------------------|---------------|---------------|
| | \$'000 | \$'000 |
| INCOME | | |
| Other Fundraising Income | | |
| Major Donors & Foundations | 423 | 45 |
| Restricted contribution from GPI | 102 | 633 |
| Other Income | | |
| Interest received | - | 6 |
| | <hr/> | <hr/> |
| Total income | 525 | 684 |
| | <hr/> | <hr/> |
| Campaigning | | |
| Forests | 507 | 788 |
| Media & Communications | 18 | 63 |
| Total Expenditure | 525 | 851 |
| | <hr/> | <hr/> |
| Operating surplus/(deficit) | - | (167) |
| | <hr/> | <hr/> |

