

**GREENPEACE MEDITERRANEAN FOUNDATION**

**ANNUAL REPORT  
AND  
FINANCIAL STATEMENTS**

**31 December 2008**

**GREENPEACE MEDITERRANEAN FOUNDATION**  
**Annual Financial Statements for the year ended 31 December 2008**

**Auditors' report**

**To the Management of Stichting Greenpeace Council, Amsterdam.**

*Introduction*

We have audited the accompanying Year End Finance Pack of Greenpeace Mediterranean Foundation ("the Foundation") as at 31 December 2008 and for the year ended 31 December 2008.

*Management's responsibility*

Management is responsible for the preparation and fair presentation of the Year End Finance Pack in accordance with International Financial Reporting Standard and instructions set out in the Year End Finance Pack. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the Year End Finance Pack 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.

*Auditor's responsibility*

Our responsibility is to express an opinion on the Year End Finance Pack based on our audit. We conducted our audit in accordance with International Standards on Auditing and instructions set out in the Year End Finance Pack. The International Standards on Auditing require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Year End Finance Pack is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Year End Finance Pack. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, 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 statements 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 management, as well as evaluating the overall presentation of the Year End Finance Pack.

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

*Matters affecting opinion*

The Year End Finance Pack does not purport to be financial statements and is prepared in accordance with International Financial Reporting Standards and Year End Finance Pack instructions for the sole purpose of preparation of the Greenpeace International's Annual Report.

In accordance with instructions, we applied tests of the accounting records and other auditing procedures as we considered necessary in the circumstances based on the materiality levels provided in the instructions.

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*Opinion*

In our opinion, the Year End Finance Pack gives a true and fair view of the financial position of Greenpeace Mediterranean Foundation (“the Organisation”) as at 31 December 2008, and of its results for the year then ended in accordance with International Financial Reporting Standards and instructions set out in the Year End Finance Pack.

Our opinion and the accompanying Year End Audit Pack are intended solely for use by Ernst and Young the Netherlands and management of Stichting Greenpeace Council in connection with its preparation of The Greenpeace International’s Annual Report as at and for the year ended 31 December 2008 and is not intended for any other purpose.

*This copy of the audit report has been signed by  
Argun Ozdemir (Partner) for and on behalf of*

Net Denetim Yeminli Mali Musavirlik Ltd. Sti.  
Certified Public Accountants

16 March 2009

**GREENPEACE MEDITERRANEAN FOUNDATION**  
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**INCOME AND EXPENDITURE ACCOUNT**

	Notes	2008 EURO	2007 EURO
<b>INCOME</b>			
Grants from Greenpeace organizations		282,346	542,688
Subscriptions, donations and income from fund raising events		1,215,082	1,146,100
Other income		260	100
		<hr/> 1,497,688	1,688,888
<b>EXPENDITURE</b>			
		(1,422,462)	(1,633,441)
<hr/>			
<b>SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES</b>	3	75,276	55,447
Net interest (payable)/receivable	4	3,772	(1,770)
<b>SURPLUS (DEFICIT) FOR THE YEAR</b>		<hr/> 78,998	53,677
		<hr/> <hr/>	

*The accounting policies and explanatory notes on pages 9 to 14 form an integral part of the financial statements.*

**GREENPEACE MEDITERRANEAN FOUNDATION**  
**Annual Financial Statements for the year ended 31 December 2008**

**BALANCE SHEET**  
**As at 31 December 2008**

	Notes	2008 EURO	2007 EURO
<b>ASSETS</b>			
<b>Fixed assets</b>			
Tangible assets	6	8,458	11,507
Financial asset	7	206	220
		<b>8,664</b>	11,727
<b>Current assets</b>			
Debtors and prepayments	8	88,564	79,752
Cash at bank and in hand		62,582	63,341
		<b>151,092</b>	143,093
<b>TOTAL ASSETS</b>		<b>159,810</b>	154,820
<b>FUND BALANCE AND LIABILITIES</b>			
<b>Fund balance</b>			
Accumulated fund	9	(142,385)	(221,383)
<b>Creditors: Amounts falling due after more than one year</b>			
Loans and borrowings	10	-	10,002
<b>Creditors: Amounts falling due within one year</b>			
Loans and borrowings	10	-	-
Other creditors and accruals	11	302,195	366,141
		<b>302,195</b>	366,141
<b>TOTAL LIABILITIES</b>		<b>302,195</b>	376,143
<b>TOTAL FUND BALANCE AND LIABILITIES</b>		<b>159,810</b>	154,820

**GREENPEACE MEDITERRANEAN FOUNDATION**  
**Annual Financial Statements for the year ended 31 December 2008**

**STATEMENT OF CHANGES IN EQUITY**

	<b>Accumulated Fund EURO</b>
<b>FINANCIAL YEAR ENDED 31 DECEMBER 2007</b>	
Balance at 1 January 2007	(275,060)
Surplus for the financial year	53,677
Balance at 31 December 2007	<u>(221,383)</u>
<b>FINANCIAL YEAR ENDED 31 DECEMBER 2008</b>	
Balance at 1 January 2008	(221,383)
Surplus for the financial year	78,998
<b>Balance at 31 December 2008</b>	<u><u>(142,385)</u></u>

**GREENPEACE MEDITERRANEAN FOUNDATION**  
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**CASH FLOW STATEMENT**

	<b>2008</b>	2007
	<b>EURO</b>	EURO
<b>Cash flows from operating activities</b>		
Surplus/(deficit) for the year before taxation	<b>78,998</b>	<b>53,677</b>
Adjustments for:		
Depreciation of tangible fixed assets	<b>9,521</b>	<b>12,575</b>
Interest receivable	<b>(3,944)</b>	<b>(1,652)</b>
Interest payable	<b>172</b>	<b>3,422</b>
Surplus/(deficit) before working capital changes	<b>84,747</b>	<b>68,022</b>
Decrease/(increase) in debtors	<b>(8,812)</b>	<b>9,562</b>
(Decrease)/increase in creditors	<b>(60,104)</b>	<b>(259,452)</b>
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>15,831</b>	<b>(181,868)</b>
 <b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	<b>(6,486)</b>	<b>(7,348)</b>
Increase/(decrease) in amount due from group companies	<b>(3,874)</b>	<b>(3,982)</b>
Interest received	<b>3,944</b>	<b>1,652</b>
Interest paid	<b>(172)</b>	<b>(3,422)</b>
<b>NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES</b>	<b>(6,588)</b>	<b>(13,100)</b>
 <b>Cash flows from financing activities</b>		
Loan from related parties	<b>(10,002)</b>	<b>-</b>
 <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(759)</b>	<b>(194,968)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>63,341</b>	<b>258,309</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>62,582</b>	<b>63,341</b>

*The accounting policies and explanatory notes on pages 9 to 14 form an integral part of the financial statements.*

**GREENPEACE MEDITERRANEAN FOUNDATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**

**1. GOING CONCERN**

During the year ended 31 December 2008, the Foundation registered a surplus of €78,998 (2007: a surplus of €53,677) and as at that date its total liabilities exceeded its total assets by €302,195(2007: €376,143).

Stichting Greenpeace Council have informed the Foundation that it is their resented intention to continue to finance and support the continued operations of the Foundation. The financial statements have therefore been drawn up on a going concern basis which assumes that Stichting Greenpeace Council will continue to provide support to the Foundation for the foreseeable future.

**2. ACCOUNTING POLICIES**

**Accounting convention and basis of preparation**

The financial statements are prepared under the historical cost convention and comply with International Financial Reporting Standards. In common with voluntary organisations of similar size and nature, the Foundation derives a proportion of its income from voluntary donations, which cannot be fully controlled until they are entered in the accounting records of the Foundation.

These financial statements present information about the Foundation as an individual undertaking and not about the Foundation and its subsidiary company. Consolidated financial statements incorporating the financial results of the Foundation are prepared by Greenpeace International .

**Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Foundation and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

*Subscriptions, donations and income from fund-raising events*

Income is accounted for in the year to which it relates. Owing to the nature of the Foundation's activities, income is only recognised to the extent that it is received since this cannot be estimated with any degree of certainty.

*Interest income*

Revenue is recognised as the interest accrues, unless collection is in doubt.

**Expenditure**

All expenditure relating to current year income or activities, which is accounted for on accruals basis is written off to the Income and Expenditure Account.

**Tangible fixed assets**

Tangible fixed assets are stated at historical cost less accumulated depreciation.

Depreciation is calculated to write off the cost of tangible fixed assets, on a straight line basis, over the expected useful lives of the assets concerned. The annual rates used for this purpose, which are consistent with those of the previous year, are:

	%
Furniture and fittings	20.00
Office and other equipment	33.33

**GREENPEACE MEDITERRANEAN FOUNDATION**  
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**NOTES TO THE FINANCIAL STATEMENTS – continued**

**2. ACCOUNTING POLICIES – continued**

**Financial asset**

The financial asset, which represents a long term unquoted investment in a subsidiary company, is shown at cost. Provision is only made, where in the opinion of the Executive Director, there is a permanent diminution in value. Where there has been a permanent diminution in the value of the investment, this is recognized as an expense in the period in which the diminution is identified.

**Borrowing costs**

Borrowing costs are recognized as an expense in the period in which they are incurred.

**Foreign currencies**

Transactions in foreign currencies have been converted into Euros at the rates of exchange ruling on the date of the transaction. Assets and liabilities denominated in foreign currencies have been translated into Euros at the rates of exchange ruling at the balance sheet date. All resulting differences are taken to the profit and loss account.

**3. SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES**

The surplus/(deficit) on ordinary activities is stated after charging:-

	<b>2008</b>	2007
	<b>EURO</b>	EURO
Auditors' remuneration	<b>10,900</b>	5,000
Depreciation of tangible fixed assets	<b>9,521</b>	12,575
Differences on foreign exchange	<b>4,681</b>	2,028
	<hr/>	<hr/>

**4. NET INTEREST (PAYABLE)/RECEIVABLE**

	<b>2008</b>	2007
	<b>EURO</b>	EURO
Interest payable on bank balances	(22)	(279)
Interest payable on FIF loan	(151)	(3,143)
Interest receivable on bank balances	<b>3,944</b>	<b>1,652</b>
	<hr/>	<hr/>
	<b>3,772</b>	<b>(1,770)</b>

**5. TAXATION**

As of 31 January 2003 Greenpeace Mediterranean Foundation is exempted from income tax by virtue of the powers vested by Article 12 (2) of the Income Tax Act (Cap.123).

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**NOTES TO THE FINANCIAL STATEMENTS – continued**

**6. TANGIBLE FIXED ASSETS**

	Furniture And fittings EURO	Office & other Equipment EURO	Total EURO
<b>Year ended 31 December 2008</b>			
Opening net book amount	-	11,507	11,507
Additions	-	6,472	6,472
Depreciation charge for the year	-	(9,521)	(9,521)
Assets written off	-	-	-
Depreciation released on write off	-	-	-
<b>At 31 December 2008</b>	<b>-</b>	<b>8,458</b>	<b>8,458</b>
<b>At 31 December 2007</b>			
Cost		78,011	78,011
Accumulated depreciation	-	(66,504)	(66,504)
<b>Net book amount</b>	<b>-</b>	<b>11,507</b>	<b>11,507</b>

**7. FINANCIAL ASSET**

	<b>2008</b> <b>EURO</b>	2007 EURO
Investment in subsidiary company at cost At 31 December	<b>206</b>	220

This amount represents a 100% shareholding (20% paid up) in the ordinary share capital of Shanti Holdings Limited, a company registered in Malta, with its registered address at 'Manol Mansions' No 6, De Paule Avenue, Balzan, Malta.

**8. DEBTORS AND PREPAYMENTS**

	<b>2008</b> <b>EURO</b>	2007 EURO
Other debtors	<b>15,955</b>	<b>816</b>
Prepayments and deposits	<b>4,769</b>	-
Amount due from related companies	<b>66,764</b>	<b>52,321</b>
Amount due from Greenpeace staff	<b>1,022</b>	<b>26,615</b>
	<b>88,510</b>	<b>79,752</b>

The amounts due from Greenpeace organizations and from related companies are unsecured, interest free and repayable on demand.

**GREENPEACE MEDITERRANEAN FOUNDATION**  
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**NOTES TO THE FINANCIAL STATEMENTS – continued**

**9. ACCUMULATED FUND**

The accumulated fund represents accumulated deficits.

**10. LOANS AND BORROWINGS**

At 31 December 2008, short term and long term loans and borrowings were as follows:

	<b>2008</b>	2007
	<b>EURO</b>	EURO
<b>Short term borrowings</b>		
Loan from Fundraising Investment Fund (FIF) Committee	-	10,002

As at 31 December 2007, the loan balance represented the outstanding balance on the €75,000 FIF loan which was unsecured and fully repaid in June 2008 and carried interest at 3%.

**11. OTHER CREDITORS AND ACCRUALS**

	<b>2008</b>	2007
	<b>EURO</b>	EURO
Amounts owed to Greenpeace Organisations	<b>30,642</b>	<b>30,572</b>
Amounts owed to Stichting Greenpeace Council	<b>603</b>	<b>31,852</b>
Amounts owed to related companies	<b>57,023</b>	<b>29,718</b>
Amounts owed to Greenpeace Staff	<b>9,308</b>	<b>9,464</b>
Accruals	<b>145,976</b>	<b>185,681</b>
Other creditors	<b>58,643</b>	<b>78,854</b>
	<b>302,195</b>	<b>366,141</b>

The amounts owed to Stichting Greenpeace Council and to Greenpeace organisations are unsecured and interest free.

On 6 December 2006, The Foundation received a donation amounting to USD280,000 to be used in Oceans Campaign in Lebanon. In 2008, expenditures made for the Oceans Campaign amounted to €59,266 (2007: €92,435).

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**NOTES TO THE FINANCIAL STATEMENTS – continued**

**12. FINANCIAL INSTRUMENTS**

At the year-end, the Foundation's main financial assets on the balance sheet comprise of cash at bank and on hand. At the year-end, there were no off-balance sheet financial assets.

At the year-end, the Foundation's main financial liabilities on the balance sheet consisted of a long term loan from Stichting Greenpeace Council, other creditors and accruals. At the year-end, there were no off-balance sheet financial liabilities.

**a. Timing of cash flows**

The presentation of the financial assets and liabilities listed above under the current and non-current headings within the balance sheet is intended to indicate the timing in which cash-flows will arise

**b. Credit risk**

Financial assets which potentially subject the Foundation to concentrations of credit risk consist principally of cash at bank.

The Foundation's cash at bank is placed with quality financial institutions,

**c. Fair values**

At 31 December 2008 and 2007 the carrying amounts of cash at bank, debtors, creditors and accrued expenses approximated their fair values.

**d. Interest rate risks**

The value of the Foundation's assets and liabilities are not subject to interest rate movements.

**13. RELATED PARTY TRANSACTIONS AND BALANCES**

During the year the Foundation entered into transactions with Stichting Greenpeace Council and other Greenpeace Organisations.

Balances at year end with related parties have been disclosed separately in the notes to the financial statements (notes 8, 10 and 11).

**Grants received from related parties**

	<b>2008</b>	2007
	<b>EURO</b>	EURO
Greenpeace organizations	<b>282,346</b>	542,688

**Recharges of campaign expenses from related parties**

	<b>2008</b>	2007
	<b>EURO</b>	EURO
Stichting Greenpeace Council	<b>26,596</b>	18,678
Greenpeace Akdeniz Basım ve Tanıtım Hizmetleri Limited Şirketi	<b>632,438</b>	379,948

The Foundation charged €230,178 on international expenditures to Greenpeace International.

**GREENPEACE MEDITERRANEAN FOUNDATION**  
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**14. FOUNDATION STRUCTURE**

Greenpeace Mediterranean Foundation forms part of Greenpeace International. Greenpeace International is a Foundation incorporated primarily under Dutch Law.