

GREENPEACE CANADA  
FINANCIAL STATEMENTS  
DECEMBER 31, 2013

# GREENPEACE CANADA

## FINANCIAL STATEMENTS

DECEMBER 31, 2013

### INDEX

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Independent Auditors' Report	1
FINANCIAL STATEMENTS	
Balance Sheet	2
Statement of Operations and Net Assets	3
Statement of Cash Flows	4
Notes to Financial Statements	5-9



April 5, 2014

## Independent Auditors' Report

To the Board of Directors of Greenpeace Canada

We have audited the accompanying financial statements of Greenpeace Canada, which comprise the balance sheet as at December 31, 2013 and the statements of operations and changes in net assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards for Small and Medium-sized Entities, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our 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, we consider 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 financial statements.

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

### Basis for qualified opinion

In common with many not-for-profit organizations, Greenpeace Canada derives revenue from donor contributions, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues were limited to the amounts recorded in the records of Greenpeace Canada. Therefore, we were not able to determine whether any adjustments might be necessary to total revenue, excess of revenues over expenses for the year, and net assets.

### Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Greenpeace Canada as at December 31, 2013 and the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-sized Entities.

A handwritten signature in black ink that reads 'Chaplin &amp; Co.' with a horizontal line underneath.

Chartered Accountants  
Licensed Public Accountants

Roger Chaplin CPA, CA LPA MA [Oxon] Gail Bergman CPA, CA LPA B Comm

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# GREENPEACE CANADA

## BALANCE SHEET

Page 2

	Notes	December 31	
		2013	2012
<b>ASSETS</b>			
Current assets			
Cash and marketable securities	2	\$ 2,112,678	\$ 2,206,041
Accounts receivable		6,512	28,185
Receivable from other Greenpeace organizations	3	211,010	80,931
Prepaid expenses and inventory		227,172	150,229
Total current assets		<u>2,557,372</u>	<u>2,465,386</u>
Fixed assets	4	<u>650,835</u>	<u>817,038</u>
Total assets		<u>\$ 3,208,207</u>	<u>\$ 3,282,424</u>
<b>LIABILITIES AND NET ASSETS</b>			
Current liabilities			
Accounts payable and accrued liabilities		\$ 392,083	\$ 276,457
Payroll and government remittance payable		728	234,183
Payable to Stichting Greenpeace Council	5	1,888	12,118
Payable to other Greenpeace organizations	6	14,124	-
Unexpended campaign funds	7	176,356	202,298
Total current liabilities		<u>585,179</u>	<u>725,056</u>
<b>Net assets</b>			
Invested in fixed assets		650,835	817,038
Unrestricted net assets		<u>1,972,193</u>	<u>1,740,330</u>
Total net assets		<u>2,623,028</u>	<u>2,557,368</u>
Total liabilities and net assets		<u>\$ 3,208,207</u>	<u>\$ 3,282,424</u>

Approved on behalf of the Board of  
Directors of Greenpeace Canada

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Sue Birge, Chair

\_\_\_\_\_  
Brigid Rowan, Treasurer



# GREENPEACE CANADA

## STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2013

Page 3

	Note	2013	2012
<b>REVENUE</b>			
Donor contributions		\$10,128,743	\$ 9,833,848
Bequests		467,658	411,677
Contributions from Stichting Greenpeace Council		699,453	591,923
Campaign grants	7	521,754	635,656
Investment income		31,863	21,830
<b>Total revenue</b>		<u>11,849,471</u>	<u>11,494,934</u>
<b>EXPENSES</b>			
Campaign expenses			
Oceans		405,487	462,421
Forests		1,050,046	964,959
Sustainable agriculture		-	34,361
Climate change and energy		2,034,929	1,747,096
Contributions to international campaigns		2,171,000	2,270,004
Support services to Stichting Greenpeace Council		577,522	449,882
Public outreach and education		1,515,892	1,421,230
<b>Total campaign expenses</b>		<u>7,754,876</u>	<u>7,349,953</u>
Finance and administration costs		969,551	855,778
Fundraising costs		3,059,384	2,826,303
<b>Total expenses</b>		<u>11,783,811</u>	<u>11,032,034</u>
<b>EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR</b>		65,660	462,900
Net assets, beginning of year		<u>2,557,368</u>	<u>2,094,468</u>
<b>NET ASSETS, END OF YEAR</b>		<u>\$ 2,623,028</u>	<u>\$ 2,557,368</u>

# GREENPEACE CANADA

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2013

Page 4

	2013	2012
<b>CASH PROVIDED FOR (USED IN) IN OPERATIONS</b>		
Excess of revenue over expenses for the year	\$ 65,660	\$ 462,900
Depreciation (non-cash item)	202,945	207,818
Changes in working capital items:		
Decrease (increase) in accounts receivable	21,673	(4,727)
Decrease (increase) in receivable from other Greenpeace organizations	(130,079)	(78,409)
Decrease (increase) in prepaid expenses	(76,943)	(1,973)
Increase (decrease) in accounts payable and accrued liabilities	115,626	23,163
Increase (decrease) in payroll and government remittances payable	(233,455)	81,776
Increase (decrease) in Payable to Stichting Greenpeace Council	(10,230)	10,086
Increase (decrease) in payable to other Greenpeace organizations	14,124	(9,745)
Increase (decrease) in unexpended campaign funds	(25,942)	(45,182)
Net cash provided from (used in) operations	<u>(56,621)</u>	<u>645,707</u>
<b>CASH USED IN INVESTING ACTIVITIES</b>		
Purchase of fixed assets	<u>(36,742)</u>	<u>(64,272)</u>
<b>NET CASH ACTIVITY FOR THE YEAR</b>	<u>(93,363)</u>	<u>581,435</u>
Cash and marketable securities, beginning of year	<u>2,206,041</u>	<u>1,624,606</u>
<b>CASH AND MARKETABLE SECURITIES, END OF YEAR</b>	<u>\$ 2,112,678</u>	<u>\$ 2,206,041</u>
Composed of the following:		
Cash	\$ 612,456	\$ 496,113
Term deposits less than one year	1,395,806	1,504,776
Term deposits greater than one year	101,516	202,318
Marketable securities	2,900	2,834
	<u>\$ 2,112,678</u>	<u>\$ 2,206,041</u>

Greenpeace Canada is a not-for-profit organization incorporated under the Canada Corporation Act by letters patent without share capital, Greenpeace Canada is an independent, campaigning organization that uses non-violent, creative confrontation to expose global environmental problems, and to force solutions that are essential to a green and peaceful future.

Greenpeace Canada works closely with Stichting Greenpeace Council and other Greenpeace organizations worldwide. Stichting Greenpeace Council funds the organization with respect to various campaigns undertaken on its behalf each year. In addition, Greenpeace Canada makes contributions to Greenpeace's international campaigns.

Greenpeace Canada is exempt from income tax as a not-for-profit organization under Section 149 (1) (l) of the Income Tax Act (Canada).

Greenpeace Canada's principal place of business is 33 Cecil Street, Toronto, Ontario.

### 1. Summary of significant accounting policies

#### Basis of presentation

These financial statements have been prepared using the standards of International Financial Reporting Standards for Small and Medium-sized Entities (IFRS-SME) issued by the International Accounting Standards Board. The financial statements are presented in Canadian dollars.

Outlined below are those policies considered particularly significant.

#### Cash and cash equivalents

Cash and cash equivalents are recorded at cost plus accrued interest and include all term deposits regardless of term as these term deposits are viewed as highly liquid.

#### Financial instruments

Financial instruments are measured at cost, except for marketable securities which are carried at market value. Changes in market value during the year are recorded in the statement of operations.

#### Fixed assets

Fixed assets are recorded at cost less accumulated depreciation. Depreciation is calculated using the straight-line method at rates calculated to write-off the assets over their estimated useful lives as follows:

Computer equipment	33% (16% in the year of acquisition)
Furniture and equipment	33% (16% in the year of acquisition)
Action equipment	33% (16% in the year of acquisition)
Vehicles	over 5 years from the model year
Leasehold improvements	over the remaining term of the lease

Fully-depreciated assets with no further useful life are written-off.

**1. Summary of significant accounting policies (continued)**

**Revenue recognition**

Donor contributions, including bequests, are recorded when funds are received.

Contributions from Stichting Greenpeace Council are recognized when earned.

Funding received for specific campaigns is recognized as revenue in the year in which the related expenses are incurred. Funding received that relates to future periods is deferred as unexpended campaign funds, and recognized as revenue in the period the expense is incurred.

Investment income includes realized income as well as changes in market value during the year.

**Leases**

Rentals payable under operating bases are charged to the Statement of Operations as incurred.

**Expenses recognition and allocation**

Expenses are recorded when goods or services are received.

In the accompanying statement of operations and changes in net assets, costs for various campaigns and other activities have been summarized by management on a functional basis. Costs that cannot be identified with a particular campaign, and that benefit more than one campaign category, have been allocated proportionately on the basis of direct costs.

Fundraising costs include expenses for fundraising coordination, donor database and processing fees and donor canvassing, education and marketing. Public outreach and education represent thirty percent of these costs and are allocated as such.

**Contributed services**

Volunteers contribute many hours per year to assist the organization in carrying out its activities. Because of the difficulty in determining their fair value, contributed services are not recognized in these financial statements.

**Foreign currency translation**

Monetary assets and liabilities denominated in foreign currencies have been translated into Canadian dollars at the rate of exchange prevailing at year end. Revenue and expense items are translated at the daily exchange rate.

**Use of estimates**

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amount of assets, liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period. Actual results could vary from these estimates. Variances from the estimate are adjusted, if necessary, and they are reported in the period in which they become known.



# GREENPEACE CANADA

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2013

Page 7

### 2. Banking arrangements

Greenpeace Canada has arranged a demand operating credit facility to a maximum of \$275,000, which is secured by a general security agreement on all property belonging to the organization, bears interest at prime plus 1.5% per annum, and is repayable monthly.

The bank line of credit at year-end was \$nil (2012 - \$nil) as the organization did not draw on the facility during the year.

Greenpeace Canada also has \$100,000 (2012 - \$76,000) of credit available through its corporate credit cards. Subsequent to the year-end, the limit was increased to \$108,000.

### 3. Receivable from other Greenpeace organizations

These amounts are unsecured, non-interest bearing assets and receivable during the current fiscal year.

### 4. Fixed assets

	Computer equipment	Furniture and equipment	Action equipment	Vehicles	Leasehold improvements	Total
<b>Cost</b>						
Balance, beginning of year	\$ 196,536	\$ 218,377	\$ 89,005	\$ 165,999	\$ 1,388,743	\$ 2,058,660
Additions	-	15,237	2,310	-	-	17,547
Disposals	(3,087)	-	-	-	-	(3,087)
Balance, end of year	<u>\$ 193,449</u>	<u>\$ 233,614</u>	<u>\$ 91,315</u>	<u>\$ 165,999</u>	<u>\$ 1,388,743</u>	<u>\$ 2,073,120</u>
<b>Accumulated depreciation</b>						
Balance, beginning of year	\$ 154,691	\$ 214,361	\$ 85,546	\$ 144,023	\$ 643,001	\$ 1,241,622
Depreciation	4,033	5,693	2,463	15,941	155,620	183,750
Depreciation on disposals	(3,087)	-	-	-	-	(3,087)
Balance, end of year	<u>\$ 155,637</u>	<u>\$ 220,054</u>	<u>\$ 88,009</u>	<u>\$ 159,964</u>	<u>\$ 798,621</u>	<u>\$ 1,422,285</u>
<b>Net book value</b>						
2013	<u>\$ 37,812</u>	<u>\$ 13,560</u>	<u>\$ 3,306</u>	<u>\$ 6,035</u>	<u>\$ 590,122</u>	<u>\$ 650,835</u>
2012	<u>\$ 41,845</u>	<u>\$ 4,016</u>	<u>\$ 3,459</u>	<u>\$ 21,976</u>	<u>\$ 745,742</u>	<u>\$ 817,038</u>

# GREENPEACE CANADA

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2013

Page 8

5. **Payable to Stichting Greenpeace Council**

This amount is an unsecured, non-interest bearing liability and repayable during the current fiscal year.

6. **Payable to other Greenpeace organizations**

These amounts are unsecured, non-interest bearing liabilities and repayable during the current fiscal year.

7. **Unexpended campaign funds**

	2013	2012
Unexpended campaign funds, beginning of year	\$ 202,298	\$ 247,480
Campaign funds received during the year	495,813	590,474
Campaign funds expended during the year		
Climate change and energy	(460,745)	(464,835)
Forests	(61,010)	(170,821)
	<u>(521,755)</u>	<u>(635,656)</u>
Unexpended campaign funds, end of year	<u>\$ 176,356</u>	<u>\$ 202,298</u>

	2013	2012
Represented by the following campaigns		
Climate and energy	\$ 128,197	\$ 119,763
Forests	48,159	82,535
	<u>\$ 176,356</u>	<u>\$ 202,298</u>

8. **Contingent liabilities**

One corporation has commenced proceedings against Greenpeace Canada and two of its staff seeking \$7 million in damages. Neither the possible outcome nor the amount of possible settlement from these proceedings can be foreseen. No provision for them has been made in the financial statements.

9. **Lease commitments**

Greenpeace Canada is committed to lease office and storage space in seven Canadian cities, under leases expiring from June 30, 2014 to December 31, 2018. The lease commitments, included estimates for realty taxes, utilities, common operating costs and annual cost escalation increases, are as follows:

2014	\$ 464,387
2015	456,977
2016	416,081
2017	256,647
2018	152,876
	<u>\$ 1,746,968</u>

**10. Related party transactions**

During the year, the total remuneration for eleven members of the senior management team was \$642,834 (2012 - \$560,976).

No remuneration was paid to any of the directors in 2013 and 2012.

**11. Financial instruments**

It is management's opinion that Greenpeace Canada is not exposed to significant interest, currency or credit risks relating to its financial instruments.

**12. Approval of financial statements**

These financial statements were approved by the Board of Directors and authorized for issue on April 5, 2014.