

GREENPEACE CANADA
FINANCIAL STATEMENTS
DECEMBER 31, 2017

GREENPEACE CANADA

FINANCIAL STATEMENTS

DECEMBER 31, 2017

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May 5, 2018

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, 2017 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 audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Greenpeace Canada as at December 31, 2017 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 blue ink that reads 'Chaplin & 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

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	Notes	December 31	
		2017	2016
ASSETS			
Current assets			
Cash and marketable securities	2	\$ 2,531,179	\$ 3,299,393
Accounts receivable		4,984	8,434
Prepaid expenses		103,087	31,838
Total current assets		<u>2,639,250</u>	<u>3,339,665</u>
Fixed assets	3	<u>14,771</u>	<u>23,927</u>
Total assets		<u>\$ 2,654,021</u>	<u>\$ 3,363,592</u>
LIABILITIES AND NET ASSETS			
Current liabilities			
Accounts payable and accrued liabilities		\$ 509,536	\$ 502,540
Payroll and government remittance payable		954	698
Payable to Stichting Greenpeace Council	4	72,652	36,921
Unexpended campaign funds	5	63,195	172,144
Current portion of loan payable to Stichting Greenpeace Council	6	<u>248,819</u>	<u>443,231</u>
Total current liabilities		<u>895,156</u>	<u>1,155,534</u>
Loan payable to Stichting Greenpeace Council		<u>-</u>	<u>247,892</u>
		895,156	1,403,426
Net assets			
Invested in fixed assets		14,771	23,927
Unrestricted net assets		<u>1,744,094</u>	<u>1,936,239</u>
Total net assets		<u>1,758,865</u>	<u>1,960,166</u>
Total liabilities and net assets		<u>\$ 2,654,021</u>	<u>\$ 3,363,592</u>

See accompanying notes

Approved on behalf of the Board of
Directors of Greenpeace Canada

Anna Crawford, Co-Chair

Frans Blom, Treasurer



GREENPEACE CANADA

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2017

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	Note	2017	2016
REVENUE			
Donor contributions		\$ 8,017,321	\$ 8,867,898
Bequests		291,542	915,373
Restricted grants from Stichting Greenpeace Council		1,811,555	1,995,185
Unrestricted grants from Stichting Greenpeace Council		621,909	-
Campaign grants	5	581,534	345,797
Investment income		35,687	36,996
Total revenue		<u>11,359,548</u>	<u>12,161,249</u>
EXPENSES			
Campaign expenses			
Oceans		215,988	241,580
Forests		1,556,411	1,244,983
Polar		491,292	1,603,292
Climate and energy		1,697,199	1,324,810
Contributions to international campaigns		2,688,000	2,506,354
Support services to Stichting Greenpeace Council		1,019,117	979,832
Public outreach and education		1,115,641	1,171,578
Total campaign expenses		<u>8,783,648</u>	<u>9,072,429</u>
Finance and operations		659,071	970,431
Fundraising costs		2,118,130	2,140,423
Total expenses		<u>11,560,849</u>	<u>12,183,283</u>
EXCESS OF EXPENSES OVER REVENUE FOR THE YEAR		(201,301)	(22,034)
Net assets, beginning of year		<u>1,960,166</u>	<u>1,982,200</u>
NET ASSETS, END OF YEAR		<u>\$ 1,758,865</u>	<u>\$ 1,960,166</u>

See accompanying notes

GREENPEACE CANADA

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2017

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	2017	2016
CASH PROVIDED FOR (USED IN) IN OPERATIONS		
Excess of revenue over expenses (expenses over revenue) for the year	\$ (201,301)	\$ (22,034)
Depreciation (non-cash item)	24,711	337,918
	<u>(176,590)</u>	<u>315,884</u>
Changes in working capital items:		
Decrease (increase) in accounts receivable	3,450	25,518
Decrease (increase) in prepaid expenses	(71,249)	16,275
Increase (decrease) in accounts payable and accrued liabilities	6,996	(121,402)
Increase (decrease) in payroll and government remittances payable	256	(483)
Increase (decrease) in payable to Stichting Greenpeace Council	35,731	26,007
Increase (decrease) in payable to other Greenpeace organizations	-	(4,471)
Increase (decrease) in unexpended campaign funds	(108,949)	120,346
	<u>(310,355)</u>	<u>377,674</u>
Net cash provided from (used in) operations		
CASH USED IN INVESTING ACTIVITIES		
Purchase of fixed assets	(15,555)	(13,200)
CASH PROVIDED FOR FINANCING ACTIVITIES		
Proceeds of loan payable to Stichting Greenpeace Council	-	496,040
Repayment of loan payable to Stichting Greenpeace Council	(442,304)	(197,571)
	<u>(442,304)</u>	<u>298,469</u>
NET CASH ACTIVITY FOR THE YEAR	(768,214)	662,943
Cash and marketable securities, beginning of year	3,299,393	2,636,450
CASH AND MARKETABLE SECURITIES, END OF YEAR	<u>\$ 2,531,179</u>	<u>\$ 3,299,393</u>
Composed of the following:		
Cash	\$ 431,538	\$ 1,258,482
Term deposits less than one year	1,793,861	2,037,574
Term deposits greater than one year	302,369	-
Marketable securities	3,411	3,337
	<u>\$ 2,531,179</u>	<u>\$ 3,299,393</u>

See accompanying notes

Greenpeace Canada, which was incorporated under the Canada Corporation Act by letters patent without share capital on May 3, 1989 and continued under the Canada Not-for-profit Corporations Act effective July 24, 2014, 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. Greenpeace Canada makes contributions to Greenpeace's international campaigns and Stichting Greenpeace Council funds some campaigns undertaken by Greenpeace Canada on its behalf each year.

Greenpeace Canada is exempt from income tax as a not-for-profit organization under Section 149 (1) (I) 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-SMEs) 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%
Furniture and equipment	33%
Action equipment	33%
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 leases 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.

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 (2016 - \$nil) as the organization did not draw on the facility during the year.

Greenpeace Canada also has \$122,000 (2016 - \$128,000) of credit available through its corporate credit cards.

3. Fixed assets

	Computer equipment	Furniture and equipment	Total
Cost			
Balance, beginning of year	\$ 89,711	\$ 18,152	\$ 107,863
Additions	13,197	2,358	15,555
Write-off of cost of fully-depreciated assets	(19,262)	(7,458)	(26,720)
Balance, end of year	<u>\$ 83,646</u>	<u>\$ 13,052</u>	<u>\$ 96,698</u>
Accumulated depreciation			
Balance, beginning of year	\$ 66,543	\$ 17,393	\$ 83,936
Depreciation	23,166	1,545	24,711
Write-off of accumulated depreciation on fully-depreciated assets	(19,262)	(7,458)	(26,720)
Balance, end of year	<u>\$ 70,447</u>	<u>\$ 11,480</u>	<u>\$ 81,927</u>
Net book value			
2017	<u>\$ 13,199</u>	<u>\$ 1,572</u>	<u>\$ 14,771</u>
2016	<u>\$ 23,168</u>	<u>\$ 759</u>	<u>\$ 23,927</u>

Action equipment of \$5,317 and leasehold improvements of \$1,240,437 were fully-depreciated in 2016.

GREENPEACE CANADA

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2017

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4. Payable to Stichting Greenpeace Council

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

5. Unexpended campaign funds

	Balance beginning of year	Funds received during year	Funds recognized during year	Balance end of year
Campaign support	\$ -	\$ 50,524	\$ 25,941	\$ 24,583
Climate and energy	172,144	108,508	275,976	4,676
Forest	-	313,552	279,616	33,936
	<u>\$ 172,144</u>	<u>\$ 472,584</u>	<u>\$ 581,533</u>	<u>\$ 63,195</u>

6. Loan payable to Stichting Greenpeace Council

	2017	2016
Loan payable, bearing interest at 0.40% per annum with interest and principal instalment of \$197,571 on July 31, 2016 with the balance repaid on July 31, 2017	\$ -	\$ 196,000
Loan payable, bearing interest at 0.30% per annum with interest and principal instalment of \$246,904 on April 30, 2017 with the balance due on April 30, 2018	247,434	493,808
Accrued interest payable	1,385	1,315
	<u>248,819</u>	<u>691,123</u>
less current portion	(248,819)	(443,231)
	<u>\$ -</u>	<u>\$ 247,892</u>

7. 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.

8. Lease commitments

Greenpeace Canada is committed to lease office and storage space in six Canadian cities, under leases expiring from June 30, 2016 to June 30, 2020. The lease commitments, including estimates for realty taxes, utilities, common operating costs and annual cost escalation increases, are as follows:

2018	\$ 293,597
2019	92,890
2020	7,295
	<u>\$ 393,782</u>

9. Related party transactions

During the year, the total remuneration for the members of the senior management (Directors Council) whilst they held one of these four positions was \$453,226 (2016 - \$389,073). Total remuneration for the most senior position was \$111,704 (2016 - \$118,388).

No remuneration was paid to any of the directors in 2017 and 2016.

10. Financial instruments

Greenpeace Canada is not exposed to significant interest, currency or credit risks relating to its financial instruments.

11. Approval of financial statements

These financial statements were approved by the Board of Directors and authorized for issue on May 5, 2018.