

GREENPEACE CANADA
FINANCIAL STATEMENTS
DECEMBER 31, 2019

GREENPEACE CANADA

FINANCIAL STATEMENTS

DECEMBER 31, 2019

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March 15, 2020

Independent Auditors' Report

To the Board of Directors of Greenpeace Canada

Opinion

We have audited the accompanying financial statements of Greenpeace Canada, which comprise the balance sheet as at December 31, 2019 and the statements of operations and changes in net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Greenpeace Canada as at December 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-sized Entities.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Greenpeace Canada in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards for Small and Medium-sized Entities and 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.

In preparing the financial statements, management is responsible for assessing Greenpeace Canada's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Greenpeace Canada or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Greenpeace Canada's financial reporting process.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Greenpeace Canada's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Greenpeace Canada's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Greenpeace Canada to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chartered Accountants
Licensed Public Accountants
Toronto, Ontario

GREENPEACE CANADA

BALANCE SHEET

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	Notes	December 31	
		2019	2018
ASSETS			
Current assets			
Accounts receivable		\$ 1,073	\$ 172,652
Cash and cash equivalent	2	2,064,967	1,411,779
Receivable from Stichting Greenpeace Council	3	17,410	-
Receivable from other Greenpeace organizations	4	1,011	837
Prepaid expenses		62,153	37,858
Total current assets		<u>2,146,614</u>	<u>1,623,126</u>
Fixed assets	5	18,049	20,598
Total assets		<u>\$ 2,164,663</u>	<u>\$ 1,643,724</u>
LIABILITIES AND NET ASSETS			
Current liabilities			
Accounts payable and accrued liabilities		\$ 232,759	\$ 178,001
Payroll and government remittance payable		25	-
Payable to Stichting Greenpeace Council	3	-	48,180
Unexpended funding	6	334,957	19,860
Current portion of loan payable to Stichting Greenpeace Council	7	208,401	-
Total current liabilities		<u>776,142</u>	<u>246,041</u>
Long term portion of loan payable to Stichting Greenpeace Council	7	100,000	-
		<u>876,142</u>	<u>246,041</u>
Net assets			
Invested in fixed assets		18,049	20,968
Unrestricted net assets		1,270,472	1,376,715
Total net assets		<u>1,288,521</u>	<u>1,397,683</u>
Total liabilities and net assets		<u>\$ 2,164,663</u>	<u>\$ 1,643,724</u>

See accompanying notes

Approved on behalf of the Board of
Directors of Greenpeace Canada



Brigid Rowan, Co-Chair



Frans Blom, Treasurer

GREENPEACE CANADA

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

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	Note	Year ended December 31	
		2019	2018
REVENUE			
Donor contributions		\$ 8,549,631	\$ 8,361,461
Bequests		270,114	820,089
Stichting Greenpeace Council funding	6	1,855,481	2,222,833
Campaign grants	6	187,428	834,392
Investment income		21,167	31,502
Total revenue		<u>10,883,821</u>	<u>12,270,277</u>
EXPENSES			
Campaign expenses			
Oceans		389,918	364,788
Forests		1,386,378	1,873,866
Polar		-	208,786
Climate and energy		1,540,427	1,528,567
Contributions to international campaigns		2,127,600	2,705,201
Support services to Stichting Greenpeace Council		1,024,969	1,121,085
Public outreach and education		760,808	1,455,813
Total campaign expenses		<u>7,230,100</u>	<u>9,258,106</u>
Finance and operations		788,526	596,547
Fundraising costs		2,974,357	2,776,806
Total expenses		<u>10,992,983</u>	<u>12,631,459</u>
EXCESS OF EXPENSES OVER REVENUE FOR THE YEAR		(109,162)	(361,182)
Net assets, beginning of year		<u>1,397,683</u>	<u>1,758,865</u>
NET ASSETS, END OF YEAR		<u>\$ 1,288,521</u>	<u>\$ 1,397,683</u>

See accompanying notes

	Year ended December 31	
	2019	2018
CASH PROVIDED FROM (USED IN) OPERATIONS		
Excess of expenses over revenue for the year	\$ (109,162)	\$ (361,182)
Depreciation (non-cash item)	18,024	17,371
	<u>(91,138)</u>	<u>(343,811)</u>
Changes in working capital items:		
Decrease (increase) in accounts receivable	171,579	(167,668)
Decrease (increase) in payable to Stichting Greenpeace Council	(17,410)	-
Decreases (increase) in receivable from other Greenpeace organizations	(174)	(837)
Decrease (increase) in prepaid expenses	(24,295)	65,229
Increase (decrease) in accounts payable and accrued liabilities	54,758	(331,535)
Increase (decrease) in payroll and government remittances payable	25	(954)
Increase (decrease) in payable to Stichting Greenpeace Council	(48,180)	(24,472)
Increase (decrease) in unexpended funding	315,097	(43,335)
Net cash used in operations	<u>360,262</u>	<u>(847,383)</u>
CASH USED IN INVESTING ACTIVITIES		
Purchase of fixed assets	(15,475)	(23,198)
CASH PROVIDED FOR FINANCING ACTIVITIES		
Advances of loan payable to Stichting Greenpeace Council	308,401	-
Repayment of loan payable to Stichting Greenpeace Council	-	(248,819)
	<u>308,401</u>	<u>(248,819)</u>
NET CASH ACTIVITY FOR THE YEAR	653,188	(1,119,400)
Cash and cash equivalents, beginning of year	1,411,779	2,531,179
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 2,064,967</u>	<u>\$ 1,411,779</u>
Composed of the following:		
Cash	\$ 1,642,351	\$ 987,389
Term deposits less than one year	417,365	421,107
Marketable securities	5,251	3,283
	<u>\$ 2,064,967</u>	<u>\$ 1,411,779</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, research, training and public engagement 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.

Funding received from Stichting Greenpeace Council and 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.

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NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2019

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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 (2018 - \$nil) as the organization did not draw on the facility during the year.

Greenpeace Canada also has \$96,000 (2018 - \$110,000) of credit available through its corporate credit cards.

3. Receivable (payable) to Stichting Greenpeace Council

This amount is unsecured, non-interest bearing liability and repayable during the 2020 fiscal year.

4. Receivable from other Greenpeace organizations

This amount is unsecured, non-interest bearing and receivable during the 2019 fiscal year.

5. Fixed assets

	Computer equipment	Furniture and equipment	Total
Cost			
Balance, beginning of year	\$ 91,987	\$ 18,601	\$ 110,588
Additions	15,474	-	15,474
Write-off of cost of fully-depreciated assets	(12,243)	-	(12,243)
Balance, end of year	<u>\$ 95,218</u>	<u>\$ 18,601</u>	<u>\$ 113,819</u>
Accumulated depreciation			
Balance, beginning of year	\$ 75,874	\$ 14,116	\$ 89,990
Depreciation	15,387	2,636	18,023
Write-off of accumulated depreciation on fully-depreciated assets	(12,243)	-	(12,243)
Balance, end of year	<u>\$ 79,018</u>	<u>\$ 16,752</u>	<u>\$ 95,770</u>
Net book value			
2019	<u>\$ 16,200</u>	<u>\$ 1,849</u>	<u>\$ 18,049</u>
2018	<u>\$ 16,113</u>	<u>\$ 4,485</u>	<u>\$ 20,598</u>

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6. Unexpended funding

	Balance beginning of year	Funds received during year	Funds recognized during year	Balance end of year
Stichting Greenpeace Council funding				
Recovery of support services	\$ -	\$1,024,969	\$1,024,969	\$ -
Climate and energy	-	490,252	490,252	-
Forest	-	610,260	340,260	270,000
	<u>-</u>	<u>2,125,481</u>	<u>1,855,481</u>	<u>270,000</u>
Other funding				
Campaign support	13,220	-	13,220	-
Climate and energy	-	52,456	283	52,174
Forest	-	168,045	168,045	-
50 th anniversary gift	6,640	12,023	5,880	12,783
	<u>19,860</u>	<u>232,524</u>	<u>187,428</u>	<u>64,957</u>
	<u>\$ 19,860</u>	<u>\$2,358,005</u>	<u>\$2,042,909</u>	<u>\$ 334,957</u>

7. Loan payable to Stichting Greenpeace Council

	2019	2018
Loan payable, bearing interest at 0.25% per annum with interest and principal instalment of \$100,501 on April 30, 2020 with the balance due on April 30, 2021	\$ 200,000	\$ -
Loan payable, bearing interest at 0.25% per annum with interest and principal instalment of \$54,248 on September 30, 2020 with the balance due on December 31, 2020	108,000	-
Accrued interest payable	401	-
	<u>308,401</u>	<u>-</u>
less current portion	208,401	-
Total long term loan payable	<u>\$ 100,000</u>	<u>\$ -</u>

8. Contingent liabilities

In 2013, 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 six Canadian cities, under leases expiring from August 31, 2021 to May 31, 2028 . The lease commitments, including estimates for realty taxes, utilities, common operating costs and annual cost escalation increases, are as follows:

2020	\$	355,397
2021		250,103
2022		254,978
2023		259,000
2024		209,239
Thereafter		879,651
	\$	<u>2,208,368</u>

10. 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 \$516,640 (2018 - \$501,762). Total remuneration for the most senior position was \$117,327 (2018 - \$116,908).

No remuneration was paid to any of the directors in 2019 and 2018.

11. Financial instruments

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 March 15, 2020.