Greenpeace Australia Pacific Limited

ABN 61 002 643 852

Annual Report - 31 December 2019

Greenpeace Australia Pacific Limited
Directors' report
31 December 2019

The directors present their report together with the financial report of Greenpeace Australia Pacific Limited ("the Company") for the financial year ended 31 December 2019 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:

Names, qualifications, experience and special responsibilities

Name:	Dr. Lena Aahlby
Experience	Ph.D Chemical Engineering, Director and Founder of StrategyForChange Consultancy, Global Programme Director for World Animal Protection, former Director ActionAid (Sweden), former Campaign Director for ActionAid (Australia), former International Programme Director and International Issues Director for Greenpeace International.
Appointed	15 June 2011
Retired	25 May 2019
Other Directorships	Nil.

Name:	Prof. Jim Falk (Chair of Board)
Experience	PhD Theoretical Physics, former Chair GPAP Finance & Audit Committee & Board, Councillor Aust. Conservation Foundation, Deputy Vice-Chancellor (2000-2003) Victoria University, Director of the Australia Centre for Science, Innovation and Society (Uni Melb. 20014-2010), Professorial Fellow, Melbourne Sustainable Society Institute, Emeritus Professor, University of Wollongong, author.
Appointed	22 February 2013
Other Directorships	Nil.

Name:	Louise Tarrant
Experience	Chair of the Secretariat for the Australia Remade alliance, Former National Secretary of the Liquor Hospitality and Miscellaneous Workers Union (later known as United Voice).
Appointed	28 May 2016
Other Directorships	Board Member, Climate Action Network Australia

Name:	Barry Rafe (Chair of the Finance and Audit committee)
Experience	BSc. Dip Arts Phil (hons 1st class) FIAA. FAICD, Consultant, training facilitator on governance, strategy, finance, risk; former Director, CEO and consultant to Financial Services companies and Superannuation Funds
Appointed	28 May 2016
Other Directorships	Director, Quality Product Research Pty Ltd

Name:	Kasy Chambers
Experience	Master Bus Admin; BA (Hons) Psychology; Grad Dip Ethics; GAICD, Executive Director, Anglicare Australia; extensive national experience in the government and community sector organisations, former director of Environmental Defender Office (ACT)
Appointed	28 May 2016
Other Directorships	Nil

Name:	Katerina Lecchi
Experience	Master Human Rights Law and Policy; Master Teaching; Bach. Envir Science; Project Advisor, Child Safe Organisations - Australian Human Rights Commission, extensive experience in the not for profit and public sector undertaking policy, advocacy, program management, education and community development.
Appointed	28 May 2016
Retired	25 May 2019
Other Directorships	Nil.

Name:	Amber Roberts
Experience	Masters in Human Rights and Masters Specialist Certificate in Social Policy; Manager PWC Indigenous Consulting; Extensive experience working in native title law, Indigenous sentencing courts, human rights law, Indigenous health equality, reconciliation and workplace diversity.
Appointed	27 May 2017
Other Directorships	Director of Indigi Lab

Name:	Mark Phibbs
Experience	Bach. Bus Fin and Mktg; Held senior executive role on international tech companies;
Appointed	27 May 2017
Other Directorships	Vice President – EMEA Marketing; Board member of the Portugal/Australia Chamber of Commerce

Name:	Nancy Moloney
Experience	MBA, MSc (Ecology) and BSc (Natural Resources Conservation), AICD, CEO at the Jane Goodall Institute Australia , Senior consultant roles in sustainability strategy and management at Deloitte and Ernst & Young
Appointed	25 May 2019
Other Directorships	Non-Executive Director, Foresight Australia

Name:	Sam McLean
Experience	Former Executive Director of GetUp, founder and former director of Centre for Australian Progress, former directorships and senior executive roles at international tech companies.
Appointed	25 May 2019
Other Directorships	Nil

Company Secretary

Mr Terry O'Donnell, B.Com, AGIA was appointed to the position of Company Secretary in December 2009.

Director's 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:

Director	Directors' meeting		Finance Committee	
	Number eligible to attend	**Number attended**	**Number eligible to attend**	**Number attended**
Dr. Lena Aahlby	3	2	1	1
Barry Rafe	6	5	5	5
Prof. Jim Falk	6	6	5	5
Louise Tarrant	6	6	2	2
Katerina Lecchi	3	2	1	0
Kasy Chambers	6	5	1	1
Amber Roberts	6	4	1	0
Mark Phibbs	6	3	2	1
Nancy Moloney	3	3	2	2
Sam McLean	3	3	-	-

The Board is an oversight and governing body that ensures the Company obtains and appropriately uses resources required to carry out its mission and objects and sustain it into the future The Board oversees the use of donations received through the Public Fund ensuring they are applied for a charitable purpose. All members of the Board are directors.

The Finance and Audit Committee is an advisory body to the Board to assist the Board in the effective discharge of its responsibilities. The areas of focus are Financial reporting; Corporate risk and internal controls that could have impact on the financial statements; and Corporate Governance compliance. Membership of the Committee is by appointment by the Board and a maximum of four members external to the Board may be appointed as members of the Committee.

Company strategy, objectives and principle activities

Short and long term objectives

The Company's mission is to secure the ability of the earth to nurture and sustain life in all its diversity.

Specifically, the Company seeks to keep global warming below 1.5 degrees and protect biodiversity.

Accordingly, the Company works on the most urgent environmental issues of our time; with priorities including climate change, the depletion of marine and terrestrial wildlife, large scale deforestation, and threats to iconic regions including the Great Australian Bight and the Great Barrier Reef.

The Company's primary goal over the next three years is to accelerate the decline of the oil and coal industries as a critical step towards keeping global warming below 1.5 degrees and protect biodiversity.

To achieve this the Company will undertake activities that seek to:

- shift economic, social, political and cultural support away from coal and oil towards renewable energy; and
- protect iconic natural places in Australia from the further expansion of the coal and oil industries.

Strategy for achieving those objectives

The Company is a fully independent, globally networked, campaigning organisation. We use research based investigation and non-violent, creative confrontation to expose global environmental problems, and to bring about the solutions which are essential to a green and peaceful future. This is driven by the power of our more than one million financial and non-financial supporters in Australia. We ignite the shared economic, social, political and cultural power of people to achieve our goals.

In developing our education and campaign strategies and policies we take great care to reflect our fundamental respect for democratic principles, and to seek solutions that will promote global social equity and fairness.

Where possible and appropriate we work closely with other organisations and with communities in order to maximise effectiveness and impact.

The Company situates its campaigns in the global context, and supports national, regional and international campaign work that is agreed through the international Greenpeace network.

Principal activities during 2019 and how those activities assisted in achieving objectives

The Company has achieved outcomes both alone and with allies during 2019 on issues that include coal, oil, plastic waste and seeking positive legal and policy change to reduce greenhouse gas emissions. While doing this we have engaged significant numbers of current and new supporters. Overall, the Company achieved successes on a number of significant issues in 2019.
Reflecting the Company's objectives, in 2019, our chief work included:

- Seeking a de facto moratorium on coal through reducing public and private finance;
- Promoting responsible policies for a safe climate and healthy environment in the lead up to and after the NSW election;
- Promoting responsible policies for a safe climate and healthy environment in the lead up to and after the federal election;
- Pursuing an end to plans for exploratory oil drilling in the Great Australian Bight;
- Supporting Australian consumers and staff leadership of Australian corporations to urgently transition their energy use to clean and renewable purchase agreements;
- Developing local action groups to engage 50 local governments in responding to climate change through climate emergency declarations;
- Reducing single-use plastic use through bans on bags in supermarkets and at state government level;
- Protecting the Antarctic through creation of an Ocean Sanctuary in the Weddell Sea;
- Obtaining business action in relation to reducing rainforest deforestation and destruction in Indonesia;
- Creating an organised pathway to enable young Pacific Island leaders to challenge, question and expose failings of global accountability on climate change;
- Providing support to local communities transitioning away from coal;
- Engaging new audiences in relation to achieving the Company's objectives.

All funds earned by the Company are wholly utilised for our environmental and charitable activities. No benefits accrue to the Company's members.

Our key tactics of public communication and consumer information, investigation and analysis, political and corporate lobbying, public outreach, traditional and social media communication, consumer awareness raising, public rallies and non-violent creative confrontation, have been used across our campaign areas.

Measurement of performance including any key performance indicators

Performance measurement of public campaigning is notoriously difficult because correlation does not equal causation; nevertheless measures that are applied include: media-monitoring, digital media metrics, social media monitoring and metrics, supporter surveying, internal qualitative evaluation, global benchmarking within the Greenpeace network and external peer assessment.

2019 marked the second year of the Company's three year strategic plan which set out five internal goals that were seen as essential to enable the Company to achieve its environmental objectives. These five goals addressed:

- People power;
- Internal culture;
- Global organisation connectedness;
- Maximisation of impact; and
- For-purpose business model

Performance and progress against the above goals and reporting against the Company's annual financial targets are tracked quarterly at board meetings through reporting and discussions at the meeting.

Additional financial and non-financial reporting conforming to global Greenpeace KPI's are made each quarter to enhance global decision making within Greenpeace.

Who was helped by these activities?

Our work benefits all life on earth. More proximately, among those prominently assisted by our activities over the past year include:

- Underrepresented Australians who have been directly or indirectly impacted by climate-driven disasters, including bushfires, smoke and air-pollution, floods, drought and ecological catastrophes, such as fish kills and coral bleaching.
- Citizens of 50 local governments engaging their representatives in an urgent and active response to climate policy gap.
- Communities whose health is adversely impacted by unsafe levels of industrial air pollution, particularly from coal-fired power stations, including citizens of the Hunter Valley, the Latrobe Valley, Western Sydney and Eastern Melbourne.
- All those who depend on the existence of the Great Barrier Reef for their livelihoods, as well as the natural environment of the Reef itself.
- Pacific island nations threatened by rising sea levels and ocean acidification, as well as the ocean environment itself.
- Local communities who depend on the Great Australian Bight for their livelihoods, as well as the Great Australian Bight environment.
- Citizens of those states of Australia which have now introduced bans on single-use plastic bags and other sources of single-use plastic pollution.
- Residents of Australia who benefit from improved public policy outcomes which support stronger investment in renewable energy and the ability to access cheaper and cleaner energy.

Governance

We are extremely grateful for the trust bestowed on us by our donors to protect and conserve our natural environment and commit to high standards of accountability and transparency. In support of this commitment the Company is a signatory to the International NGO Accountability Charter and meets its reporting requirements through collective reporting through Greenpeace International.

The Company measures its performance according to progress against objectives and goals outlined in the Strategic Plan: 2018 to 2020. This information is monitored by the senior executive on a monthly basis, reviewed by the Board at least quarterly and updates communicated to the voting membership each quarter following board meetings and annually at the annual general meeting.

Throughout the year regular communications are exchanged with the voting members providing updates on significant matters of the Company and global campaigning organisation.

The Board effected changes to meeting structure and reporting to optimise focus and better leverage the skills and experience of directors.

Trading Results

Our independence is paramount and is unique in international environmental NGO's.

We do not accept funding from governments or corporations. Therefore raising awareness of the most urgent environmental issues of our time and engaging the public and our supporters in our campaigns that tackle those issues is central to work the Company runs.

In 2019, 89.1% of our costs (2018: 90.8%) were devoted to engagement (including campaigning, fundraising, lobbying, public communication) with 10.9% (2018: 9.3%) being directed towards Administration Costs (referred to as Organisation Support).

In support of global campaigning the Company contributed $4,001,451 in 2019 to the global organisation ($3,958,150 in 2018) and local campaign spend increased to $6,165,285 up from $5,464,000 in 2018.

Our financial donors are key partners in our campaigns providing the financial security to make long-term financial commitments on essential capability to run high profile ambitious campaigns whilst maintaining a capacity to respond quickly to changing events.

Regular giving receipts declined in 2019 ($13,261,995 from $14,563,000 in 2018) reflecting a reduced investment in the acquisition of new supporters. Overall Fundraising revenue declined in 2019 $18,019,631 from 2018 $19,248,999.

Total expenditure declined to $19,763,287 down from $21,499,927 in 2018; resulting in the Company returning a deficit of $569,715 in 2019 (2018: deficit of $1,784,120).

The deficit is consistent with the Company's plans to invest in order to secure long term financial viability and ensure appropriate levels of resources are available to continue to fund robust campaign capability with global reach.

The Company's financial position is satisfactory with reserves of $2,629,897 in 2019 (2018: $3,255,770).

Reserves and liquidity are monitored monthly and are subject to a risk assessment as part of the annual budget setting and quarterly review processes. Current reserves remain in excess of what is required under our Reserves Policy.

The Company maintains endorsement to receive deductible gifts and is exempt from income tax, accordingly no provision for income tax is required.

Membership

The Company is a company limited by guarantee and without share capital. 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. The numbers of members as at 31 December 2019 were 86 (2018: 77).

On behalf of the directors

Prof. Jim Falk
Chairman

24 March 2020
Sydney

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Auditor's Independence Declaration

As lead auditor for the review of the financial report of Greenpeace Australia Pacific Limited for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(a) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

(b) any applicable code of professional conduct in relation to the review.

Sydney, NSW
24 March 2020

S. James
Director

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Greenpeace Australia Pacific Limited
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2019

	Note	2019 $	2018 $
Revenue	3	18,019,631	19,248,999
Other income	3	1,138,593	349,237
Fundraising expenses		(7,434,778)	(10,083,743)
Campaign expenditure		(10,166,736)	(9,420,367)
Organisational support		(2,139,448)	(1,990,539)
Result from operating activities		(582,738)	(1,896,413)
Finance income		35,348	117,571
Finance costs		(22,325)	(5,278)
Net finance income		13,023	112,293
Loss before income tax expense		(569,715)	(1,784,120)
Income tax expense		-	-
Loss after income tax expense for the year attributable to the members of Greenpeace Australia Pacific Limited	15	(569,715)	(1,784,120)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the members of Greenpeace Australia Pacific Limited		(569,715)	(1,784,120)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Greenpeace Australia Pacific Limited
Statement of financial position
As at 31 December 2019

	Note	2019 $	2018 $
Assets			
Current assets			
Cash and cash equivalents	4	4,332,956	5,517,880
Trade and other receivables	5	185,424	329,942
Other assets	6	173,226	167,459
Total current assets		4,691,606	6,015,281
Non-current assets			
Property, plant and equipment	7	319,247	227,332
Right-of-use asset	8	270,930	-
Total non-current assets		590,177	227,332
Total assets		5,281,783	6,242,613
Liabilities			
Current liabilities			
Trade and other payables	9	1,162,867	1,845,297
Employee benefits	10	988,749	932,505
Deferred revenue		60,432	91,572
Lease liabilities	11	301,891	-
Total current liabilities		2,513,939	2,869,374
Non-current liabilities			
Employee benefits	10	137,979	117,469
Total non-current liabilities		137,979	117,469
Total liabilities		2,651,918	2,986,843
Net assets		2,629,865	3,255,770
Equity			
Reserves		1,469,562	1,469,562
Accumulated surpluses		1,160,303	1,768,208
Total equity		2,629,865	3,255,770

The above statement of financial position should be read in conjunction with the accompanying notes

Greenpeace Australia Pacific Limited
Statement of changes in equity
For the year ended 31 December 2019

	Accumulated surpluses $	Reserves $	Total equity $
Balance at 1 January 2018	3,570,328	1,469,562	5,039,890
Deficit for the year	(1,784,120)	-	(1,784,120)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	(1,784,120)	-	(1,784,120)
Balance at 31 December 2018	1,786,208	1,469,562	3,255,770

	Accumulated Surpluses $	Reserves $	Total equity $
Balance at 1 January 2019	1,786,208	1,469,562	3,255,770
Adjustment on the adoption of AASB 16 Leases (Note 1)	(56,190)	-	(56,190)
Deficit for the year	(569,715)	-	(569,715)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	(569,715)	-	(569,715)
Balance at 31 December 2019	1,160,303	1,469,562	2,629,865

The above statement of changes in equity should be read in conjunction with the accompanying notes

Greenpeace Australia Pacific Limited
Statement of cash flows
For the year ended 31 December 2019

	Note	2019 $	2018 $
Cash flows from operating activities			
Cash receipts from donations and fundraising activities		18,725,996	19,667,689
Cash (paid)/receipts from related parties contributions		590,393	912,789
Cash paid to suppliers and employees		(19,973,258)	(21,077,489)
Interest received		35,348	107,273
Net cash used in operating activities		(621,521)	(389,738)
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		-	5,871
Purchase of property, plant and equipment		(176,932)	(187,778)
Net cash used in investing activities		(176,932)	(181,907)
Cash flows from financing activities			
Repayment of lease liabilities		(386,471)	-
Net cash from financing activities		(386,471)	-
Net increase in cash and cash equivalents		(1,184,924)	(571,645)
Cash and cash equivalents at the beginning of the financial year		5,517,880	6,089,525
Cash and cash equivalents at the end of the financial year	5	4,332,956	5,517,880

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted
The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Company.

The following Accounting Standards and Interpretations are most relevant to the Company:

AASB 15 Revenue from Contracts with Customers
The Company has adopted AASB 15 from 1 January 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

AASB 16 Leases
The Company has adopted AASB 16 from 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

AASB 1058 Income of Not-for-Profit Entities
The Company has adopted AASB 1058 from 1 January 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives. For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. The liability is brought to account as income over the period in which the entity satisfies its performance obligation. If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately. Where the fair value of volunteer services received can be measured, a private sector not-for-profit entity can elect to recognise the value of those services as an asset where asset recognition criteria are met or otherwise recognise the value as an expense.

Note 1. Significant accounting policies (continued)

Impact of adoption
AASB 15, AASB 16 and AASB 1058 were adopted using the modified retrospective approach and as such comparatives have not been restated.

The impact of the new Accounting Standards compared with the previous Accounting Standards on the current reporting period is as follows:

	1 January 2019 $
Operating lease commitments as at 1 January 2019 (AASB 117)	1,185,894
Operating lease commitments discount based on the weighted average incremental borrowing rate of 4.75% (AASB 16)	(553,722)
Right-of-use assets (AASB 16)	632,172
Lease liabilities (AASB 16)	(688,362)
Adjustment in opening retained profits as at 1 January 2019	(56,190)

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB'), the *Australian Charities and Not-for-profits Commission Act 2012*, the *Charitable Fundraising Act 1991* and associated regulations, as appropriate for not-for-profit oriented entities.

Historical cost convention
The financial statements have been prepared under the historical cost convention.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Revenue recognition
The Company recognises revenue as follows:

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Note 1. Significant accounting policies (continued)

Sales revenue
Events, fundraising and raffles are recognised when received or receivable.

Donations
Donations are recognised at the time the pledge is made.

Grants
Grant revenue is recognised in profit or loss when the Company satisfies the performance obligations stated within the funding agreements.

If conditions are attached to the grant which must be satisfied before the Company is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Volunteer services
The Company has elected not to recognise volunteer services as either revenue or other form of contribution received. As such, any related consumption or capitalisation of such resources received is also not recognised.

Income tax
As the Company is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables
Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Note 1. Significant accounting policies (continued)

Property, plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Leasehold improvements	10 years
Furniture and equipment	3-4 years
Software	3-5 years
Information technology	3 years
Motor Vehicles	4 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Impairment of non-financial assets
Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables
These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Employee benefits
Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Note 1. Significant accounting policies (continued)

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful lives of assets
The Company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets
The Company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Employee benefits provision
As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 3. Revenue and other income

	2019 $	2018 $
Revenue from contracts with customers		
Regular auto-giving	11,951,038	12,617,714
Supporter recruitment	1,298,942	1,958,874
Major Donation and Foundation	1,594,730	1,442,865
Special Appeals	1,630,660	762,005
Bequest income	1,544,261	1,702,116
Membership renewal	-	765,425
	18,019,631	19,248,999
Other income		
Net gain on sale of property, plant and equipment	1,151	5,871
Contributions from Greenpeace International Ltd	998,495	341,022
Other revenue	138,947	2,344
	1,138,593	349,237

Note 4. Current assets - cash and cash equivalents

	2019 $	2018 $
Cash on hand	1,242	1,200
Cash at bank	1,357,949	382,156
Cash on deposit	2,973,765	5,134,524
	4,332,956	5,517,880

Note 5. Current assets - trade and other receivables

	2019 $	2018 $
Other receivables	185,424	301,221
Related parties receivables:		
Greenpeace Germany	-	28,721
	185,424	329,942

Note 6. Current assets - other

	2019 $	2018 $
Advance to employees	2,073	5,979
Prepayments	171,153	161,480
	173,226	167,459

Note 7. Non-current assets - property, plant and equipment

	2019 $	2018 $
Leasehold improvements	500,770	500,770
Less: Accumulated depreciation	(500,630)	(500,589)
	140	181
Furniture and equipment	173,960	173,960
Less: Accumulated depreciation	(171,697)	(164,391)
	2,263	9,569
Information technology	719,450	668,208
Less: Accumulated depreciation	(641,528)	(609,696)
	77,922	58,512
Motor vehicles - at cost	375,453	375,453
Less: Accumulated depreciation	(371,788)	(364,260)
	3,665	11,193
Software - at cost	270,677	145,935
Less: Accumulated depreciation	(37,361)	-
	233,316	145,935
Other - at cost	1,941	1,941
Less: Accumulated depreciation	-	-
	1,941	1,941
	319,247	227,332

Reconciliations
Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Land and buildings $	Freehold improvements $	Plant and equipment $	Motor vehicles $	Software & Other $	Total $
Balance at 1 January 2019	181	9,569	58,512	11,193	147,876	227,332
Additions	-	-	52,193	-	124,742	176,935
Depreciation expense	(41)	(7,306)	(32,783)	(7,528)	(37,361)	(85,019)
Balance at 31 December 2019	140	2,263	77,922	3,665	235,257	319,247

Note 8. Right-of-use assets

	2019 $	2018 $
Right-of-use	632,172	-
Less: Accumulated depreciation	(361,242)	-
	270,930	-

There were no additions to the right-of-use assets during the year.

The Group leases buildings for its offices and warehousing facilities under agreements of between three to five years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

Note 9. Current liabilities - trade and other payables

	2019 $	2018 $
Trade payables	857,620	919,281
Other payables and accrued expenses	240,439	425,195
Related party payables:		
Greenpeace International Ltd	64,808	500,821
	1,162,867	1,845,297

Note 10. Employee benefits

	2019 $	2018 $
Current		
Annual leave	501,508	456,198
Long service leave	245,889	261,062
Personal leave	241,352	215,245
Total employee benefit liabilities - current	988,749	932,505
Non-current		
Long service leave	137,979	117,469
Total employee benefit liabilities – non-current	137,979	117,469

Note 11. Lease liabilities

	2019 $	2018 $
Lease liabilities - current	301,891	-

Note 12. Commitments

	2019 $	2018 $
Within one year	-	663,750
After one year but more than five years	-	522,144
Surplus after income tax expense for the year	-	-
Retained surpluses at the end of the financial year	-	1,185,894

On the adoption of AASB 16 Leases, the Group's operating lease commitments have been accounted for as lease liabilities, reported at Note 11.

Note 13. Related parties

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.

	2019 $	2018 $
Honorarium paid	-	8,925

Other directors of the Company received reimbursement of expenses only.

Other related party transactions

The Company is required to make contributions to Greenpeace International Ltd on an annual basis in accordance with the Licence Agreement. Licensing contributions are calculated at 18% of total external income (including revenue and finance income but excludes Greenpeace grant income) for the financial year two years prior. An additional negotiated contribution is made to the global programme under the Contribution Model funding mechanism. These additional contributions are made to Greenpeace International Ltd and are calculated using sliding percentages on net of external income reduced by fundraising acquisition costs and conditional income over EUR30k for the financial years two years prior.

	2019 $	2018 $
During the year contributions were made to:		
Greenpeace International Ltd	3,970,620	3,958,150

The contribution to Greenpeace International Ltd is included as part of campaigning expenditure in the statement of profit or loss and other comprehensive income.

	2019 $	2018 $
During the year cash was transferred to / (from):		
Greenpeace International Ltd	1,500,000	500,000

Related party balances

Receivables and payables due from/to related parties are disclosed at Notes 5 and 9.

Key management personnel compensation

The aggregate compensation paid to key management personnel of the Company is set out below:

	2019 $	2018 $
Total key management personnel compensation	1,021,177	1,057,332

Note 14. Events after the reporting period

No matter or circumstance has arisen since 31 December 2019 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Note 15. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2019 and 31 December 2018.

Note 16. Fundraising Act disclosure

	2019 $	2018 $
Results from fundraising appeals		
Gross proceeds from fundraising appeals	18,019,631	19,248,999
Less: Direct costs of fundraising appeals	(7,433,870)	(10,083,741)
Net surplus from fundraising appeals	10,585,761	9,165,258
Application of net surplus obtained from fundraising appeals		
Campaigning	(10,166,736)	(9,420,368)
Administration	(2,139,448)	(1,990,540)
Net surplus from fundraising appeals	(12,306,184)	11,410,908
Deficit transferred to accumulated surplus	(1,720,423)	(2,245,650)

Refer to the reserves accounting policy Note 2(j) for an explanation of how the net surplus from fundraising is applied.

Analytical percentages in accordance with Charitable Fundraising Act (NSW) 1991.

	2019 %	2018 %
Fundraising		
Total fundraising costs to fundraising gross income	41.3	52.4
Net surplus from fundraising to fundraising gross income	58.7	47.6
Engagement		
Supporter engagement in campaigning and fundraising	89.4	90.8
Campaigning		
Total cost of campaigns to total expenditure	51.5	43.8
Total cost of campaigns to total income	56.4	48.9

The fundraising ratios above are annual snapshot of costs over income generated that year. The primary fundraising activity the company engages in is to secure regular auto-giving which requires an upfront investment which is measured against returns on a 3 and 5 year basis.

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 2019 include:

- High value giving (including individual major donors and trusts/foundations)
- Gifts in Wills
- Digital fundraising campaigns - for both single and regular giving
- Direct mail single gift appeals (x 5)
- Telefundraising lead conversion
- Reactivating lapsed donors
- Upgrading active RG donors

In the directors' opinion:

- the attached financial statements and notes comply with the Australian Accounting Standards - Reduced Disclosure Requirements, the *Australian Charities and Not-for-profits Commission Act 2012*, *the Charitable Fundraising Act 1991* and associated regulations;
- the attached financial statements and notes give a true and fair view of the Company's financial position as at 31 December 2019 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the directors

J. Falk

Prof. Jim Falk
Chairman

24 March 2020
Sydney

Independent Auditor's Report to the Members of Greenpeace Australia Pacific Limited

Opinion

We have audited the financial report of Greenpeace Australia Pacific Limited ("the Company") which comprises the statement of financial position as at 31 December 2019, the statement of profit or loss and other comprehensive income, the statement of changes in accumulated funds and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

(a) the accompanying financial report of the Company is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

(i) giving a true and fair view of the Company's financial position as at 31 December 2019 and of its financial performance and cash flows for the year then ended; and

(ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulation 2013*; and

(b) any money received as a result of fundraising appeals conducted during the year ended 31 December 2019 has been properly accounted for and applied in accordance with the *Charitable Fundraising Act 1991* and the Regulations thereto;

(c) the financial statements and associated records have been properly kept during the financial year in accordance with provisions of the *Charitable Fundraising Act 1991* and the Regulations thereto; and

(d) at the date of this statement there are reasonable grounds to believe Greenpeace Australia Pacific Limited will be able to pay its debts as and when they fall due.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of Management and the Directors for the Financial Report

Management is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Company'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 intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors responsible for overseeing the Company's financial reporting process.

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Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 Australian 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, 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 the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the 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 the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Additional Information

The attached statement of income and expenditure in respect of Greenpeace Australia Pacific Limited for the year ended 31 December 2019, has been prepared from accounting and other records of Greenpeace Australia Pacific Limited and have been subjected to the tests and other auditing procedures applied in our examination of the financial statements for the year ended 31 December 2019.

The statement of income and expenditure does not form part of the financial report in respect of the year ended 31 December 2019 referred to in our report to members and accordingly we do not express an audit opinion thereon.

HLB Mann Judd

HLB Mann Judd Assurance (NSW) Pty Ltd
Chartered Accountants

S P James
Director

Sydney, NSW
24 March 2020

Statement of income and expenditure

For the year ended 31 December 2019

	2019	2018
INCOME	$'000	$'000
Supporter recruitment		
Auto payment	1,299	1,939
Other	818	785
Existing supporters		
Auto payment	11,954	12,024
Special appeals	599	600
Other	211	773
Other fundraising income		
Major donors and foundations	1,595	1,420
Bequest income	1,544	1,702
Other income		
Grant income	1,026	341
Interest received	35	118
Profit on sale of property, plant and equipment	1	6
Other	110	3
Total income	19,193	19,711
EXPENDITURES		
Fundraising		
Recruitment investment	4,847	7,441
Supporter communication and maintenance	2,587	2,643
Total fundraising expenditure	7,434	10,084
Campaigning		
Oceans		111
Climate & Energy	1,799	1,285
Media and communications	1,163	1,428
Marine operations and action support	895	825
Public information and engagement	1,748	1,103
Political, science and business	156	146
Other issues	403	565
Contribution to international campaigning	4,001	3,958
Total campaigning expenditure	10,167	9,420
Organisational support	2,162	1,990
Total expenditure	19,762	21,495
Operating surplus	(570)	(1,784)