

may 2020



# friends of the earth international

FINANCIAL STATEMENTS 2019

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## report of the executive committee

In 2019 Friends of the Earth International achieved a number of highlights in our environmental justice work against an increasingly threatening background of corporate control, growth of the extreme right and assaults on peoples' lives and rights.

Our new Internationalist Solidarity System, which is still in development, enabled us to report on human rights violations, take political action and respond to emergency situations in many countries. Additional financial support from the Green Livelihoods Alliance and the Swedish Society for Nature Conservation enabled us to further advance this work. In 2020 the system will be supported by the development of digital components, with the help of funding from Bread for the World and the Green Livelihoods Alliance.

Together with allies we prevented an agreement on carbon markets and offsetting at the UN climate talks in Madrid. When the UN summit was moved at the last minute from Chile to Madrid, FoEI participated both in Madrid and in the Peoples' Summit that was organised simultaneously in Santiago. Our member groups pushed back against fossil-fuel projects and dams from Scotland, Bosnia Herzegovina and Norway, to Bangladesh and Indonesia, and from Mozambique, Uganda and Togo to Honduras.

At the Convention on Biological Diversity in preparatory UN talks on a Global Biodiversity Framework, we continued our work in exposing the falsehood of the Financialisation of Nature and market-based mechanisms as a solution.

We continued to work with allies towards a UN binding treaty on transnational corporations and other business enterprises with respect to human rights, including improving the revised text. We also fought the impunity of corporations such as Shell and Total in the courts.

## report of the executive committee *continued*

We successfully lobbied UN bodies to recognise agroecology as a key solution for a food system in crisis along with other social movements and organisations, including our strategic ally La Via Campesina. We advanced our work on Community Forest Management with Indigenous Peoples and local communities at the centre.

Integration of a gender justice and feminist perspective has been central to our work. We began implementing the strategy approved at our 2018 Biennial General Meeting and held workshops at the regional annual general meetings. The new federation-wide policy on violence and sexual harassment is a key step in our commitment to end patriarchal oppression. We developed an Integrity System, including a Code of Conduct and Whistleblower policy that addresses integrity in interpersonal interactions and financial conduct.

We started developing a Safety and Security policy. This policy will be finalised in 2020, but it has already helped us to assess, at an early stage, the health risks for FoEI staff in relation to the COVID-19 pandemic.

Due to decreasing donor income, our 2019 turnover was considerably lower than of 2018, as anticipated. The deficit in 2019 was € 152,759, which was lower than the planned € 203,863 to be used from the reserves as agreed in the original budget. At the same time the income from membership fees was € 100,000 lower and the income from grants € 100,000 higher, thanks to additional funding obtained during 2019.

The membership fees were lower than anticipated, but higher than in 2018. It became clear that we needed to deal with differing interpretations of the membership fees bylaws. The ExCom agreed to work on a policy with more detailed instructions, defining which parts of a member group's income can or cannot be excluded from the calculation, in particular with regard to the category 'passed on to others'. This policy will come into effect in 2020.

That the deficit was lower than anticipated was mostly related to lower costs for salaries in the International Secretariat. Vacancies and sick leaves either took time to fill or were not filled at all. This has affected three core teams in the Secretariat: the programs, membership and communications teams. The size of the support team was reduced on 31 December. Unless new funding is found, the 2020 budget will not allow for staff increases, so our activities will need to reflect this.

2020 is the final year in the grant cycles of many of our current grants. Our fundraising team is focussing on the renewal of these grants for the period starting in 2021.

The 2020 budget that was adopted in 2019 will need ongoing revisions throughout 2020 as the corona pandemic and its consequences unfold. This budget relies on the use of € 60,309 from our reserves. In March 2020 the ExCom adopted a reserves policy that aims to re-build our reserves level and increase it to € 1,000,000 over the next nine years.

The COVID-19 pandemic does not just affect our finances. Beyond its shocking health impacts, the crisis has profound implications for the issues we work on, and for our allies, groups and communities.

### ***Amsterdam, May 2020***



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(chair, REDES, Uruguay)



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# balance sheet 31 december 2019

(amounts in euro)

	2019	2018
<b>fixed assets</b>		
tangible fixed assets (1)	13,545	23,230
<b>current assets</b>		
liquid assets (2)	626,578	1,214,530
subsidies to receive (3)	74,021	45,739
project funds advanced to foe groups (4)	150,331	61,400
accounts receivable (4)	168,090	234,978
	1,019,019	1,556,647
<b>total assets</b>	<b>1,032,565</b>	<b>1,579,877</b>
<b>current liabilities</b>		
accounts payable (4)	302,215	418,578
subsidies received in advance (5)	-	28,372
donor grants balances (6)	121,205	371,024
	423,420	817,974
<b>unexpended funds (7)</b>		
accumulated surplus	575,805	662,780
reserve for international secretariat	-	30,000
fundraising investment fund	-	35,784
fund for membership development	10,000	10,000
fund for nepal earthquake relief	2,985	2,985
hrd emergency fund	20,355	20,355
	609,144	761,903
<b>total liabilities</b>	<b>1,032,565</b>	<b>1,579,877</b>

# statement of revenues and expenditures 2019

(amounts in euro)

income	income	result 2019	budget 2019	result 2018
<i>core income</i>	membership fees (1)	565,067	650,000	549,912
	donations	17,604	7,000	16,273
	interest & miscellaneous (2)	2,808	1,000	3,775
		585,479	658,000	569,960
<i>donor income</i>	donor income (3)	2,256,770	2,162,449	2,832,993
<b>total income</b>		<b>2,842,249</b>	<b>2,820,449</b>	<b>3,402,952</b>
<b>expenditures</b>				
<i>meetings (4)</i>	foei meetings	17,467	12,000	179,039
<i>programs (5)</i>	international program coordination	391,349	425,000	386,573
	program activities	265,786	260,000	308,977
<i>membership development &amp; activities</i>	support to member group projects (5)	398,040	333,597	469,158
	international solidarity system (6)	95,499	72,500	89,106
	gender work	33,626	25,000	27,790
	cross regional capacity building (7)	32,383	32,000	93,630
<i>regional activities (8)</i>	regional meetings & capacity building	227,149	240,000	221,069
	member group evaluations	7,284	7,500	12,028
<i>communications (9)</i>	communication materials & tools	36,654	51,000	37,316
	audio visual media, web, radio	106,128	111,835	114,990
	translations network	10,177	15,100	15,811
<i>governance (10)</i>	chair & executive committee	66,372	71,000	80,468
	strategic planning	1,488	-	16,199
<i>fundraising (11)</i>	fundraising investments	8,716	10,000	8,655
<i>staff (12)</i>	international coordinator & fundraisers	271,731	271,775	226,710
	programs team	167,712	187,300	164,535
	membership development staff	170,109	212,504	269,159
	communications staff	180,226	200,460	182,917
	support staff	267,847	256,891	248,582
	staff costs - non-salaries (13)	27,321	36,500	52,730
<i>operational costs</i>	rent, maintenance, inventory	50,699	59,900	58,879
	computer systems maintenance	11,953	15,000	14,317
	communications infrastructure	18,680	12,700	21,099
	supplies	4,864	6,500	6,333
	auditor & administrative costs (14)	46,811	40,750	45,226
	miscellaneous (15)	22,618	7,500	40,273
<i>passed on to others</i>	passed on to others	56,318	50,000	113,682
<b>total expenditures</b>		<b>2,995,008</b>	<b>3,024,312</b>	<b>3,505,248</b>
<i>surplus/deficit</i>		-152,759	-203,863	-102,296
<b>use of reserves</b>				
<i>general reserves</i>		-86,975	-135,711	-10,963
<i>fund for nepal</i>		-	-	-7,000
<i>fund for membership development</i>		-	-7,500	-
<i>fundraising investment fund</i>		-35,784	-30,652	-39,216
<i>human rights defenders solidarity fund</i>		-	-	-11,000
<i>reserve for international secretariat</i>		-30,000	-30,000	-34,117
		<b>-152,759</b>	<b>-203,863</b>	<b>-102,296</b>

# accounting policies

## general

The financial report has been made in accordance with the Guidelines for annual reporting C1 “Small not-for-profit organisations” of the Dutch Accounting Standards Board.

All assets and liabilities are stated at their face value, unless otherwise mentioned. Foreign currency amounts are valued against the exchange rate of the last day of each quarter, using XE Currency Converter or with the EU currency exchange converter when EU requirements are applicable. Exchange rate differences have been included in the result.

## tangible fixed assets

Tangible fixed assets are valued at purchase price minus depreciation. Depreciation is based on the expected duration of life. The tangible assets are divided in inventory, network infrastructure and computers (hardware & software over Euro 500). Depreciation of computers and network infrastructure is 30% for the first 3 years and 10% for the fourth year. Depreciation of inventory is spread over five years, for second-hand furniture an estimate of its remaining life is made.

## liquid assets

All cash and bank balances listed under liquid assets are discretionary. The funds in the ASN savings accounts generated an interest that went down from 0.08 % at the end of 2018 to 0.0 % by the end of 2019.

## accounts receivable and accounts payable

If there is an account receivable and an account payable with the same Friends of the Earth member group, the outstanding amounts will be balanced. An overview of the balances of the largest debts and liabilities can be found in note to the balance 4b.

## result

The result is the difference between core income on the one hand and core expenses at historical cost on the other hand, taking into account the above valuation principles.

# notes to the balance sheet

(amounts in euro)

<b>1. tangible fixed assets</b>	<b>inventory</b>	<b>computers</b>	<b>network infrastructure</b>	<b>total</b>
purchase value december 31, 2018	12,203	52,114	10,055	74,372
depreciation december 31, 2018	-9,323	-32,769	-9,049	-51,142
<b>book value december 31, 2018</b>	<b>2,880</b>	<b>19,345</b>	<b>1,006</b>	<b>23,230</b>
investments 2019	195	2,624		2,819
disposed 2019		-4,116		-4,116
disposed depreciation 2019		4,116		4,116
depreciation 2019	-1,125	-10,689	-690	-12,504
<b>book value december 31, 2019</b>	<b>1,949</b>	<b>11,280</b>	<b>316</b>	<b>13,545</b>

<b>2. liquid assets</b>	<b>2019</b>	<b>2018</b>
cash	499	693
euro (triodos current)	41,077	99,493
euro (triodos savings-dgis-gla)	104,003	33,003
euro (ing current)	81,747	58,289
euro (abn-amro, current)	37,346	32,112
euro (asn savings-general)	328,456	569,170
euro (asn savings-dgis-fgg)	-	387,230
euro (asn savings-bread f/t world)	24,167	24,157
paypal account	9,282	10,383
<b>total</b>	<b>626,578</b>	<b>1,214,530</b>

<b>3. subsidies to receive</b>	<b>2019</b>	<b>2018</b>
european union - hrd apac project	38,648	
pro natura palm oil project	24,041	704
bread for all palm oil project	5,809	
dgis-gla flg-01	5,523	
bread for the world-2017-2020	-	1,319
eu grant foe croatia - ngos development	-	2,803
iucn-postcode lottery ehrrd project	-	40,913
<b>total</b>	<b>74,021</b>	<b>45,739</b>

<b>4a. financial assets &amp; liabilities by kind</b>	<b>2019</b>	<b>2018</b>
<b>accounts receivable</b>		
debtors	135,847	177,489
doubtful debtors	-8,122	-7,729
deposits	8,445	8,445
transit assets	31,919	56,773
<b>total</b>	<b>168,090</b>	<b>234,978</b>

<b>accounts payable</b>		
creditors	175,709	253,064
provision holidays	46,973	42,651
transit liabilities	56,431	83,721
tax service - wage tax + premiums	23,103	39,142
<b>total</b>	<b>302,215</b>	<b>418,578</b>



# notes to the balance sheet *continued*

4b. accounts receivable & payable per debtor/creditor	debtors	creditors	transit assets	project funds advanced	transit liabilities	balance
<i>foe groups (amounts over € 5,000):</i>						
foe australia	-	7,230	-	-	-	-7,230
foe austria	19,819	-	-	-	-	19,819
foe bangladesh	-	-	-	17,184	-	17,184
foe brasil	97	10,786	-	8,179	-	-2,510
foe cameroon	-	68	-	3,228	-	3,160
foe colombia	-	4,871	-	2,500	-	-2,371
foe costa rica	-	13,504	-	-	-	-13,504
foe el salvador	-	5,583	-	16,500	-	10,917
foe england, wales & northern ireland	89,285	14,295	-	-	-	74,990
foe europe	-	8,433	-	-	-	-8,433
foe honduras	-	4,927	-	16,685	-	11,758
foe indonesia	-	-	-	13,841	-	13,841
foe mozambique	226	3,895	-	16,221	-	12,552
foe netherlands	1,639	-614	11,360	-	-	13,613
foe palestine	-	18,334	-	16,667	-	-1,667
foe philippines	-	4,883	-	16,500	-	11,617
foe scotland	-	5,949	-	-	-	-5,949
foe south africa	1,691	5,958	-	-	-	-4,267
foe sri lanka	-	3,832	-	8,769	-	4,937
foe uruguay	-	13,091	-	9,675	-	-3,416
foe us	-	-	-	-	17,586	-17,586
others	23,090	50,685	20,560	4,382	38,845	-41,498
<b>total</b>	<b>135,847</b>	<b>175,709</b>	<b>31,919</b>	<b>150,331</b>	<b>56,431</b>	<b>85,957</b>

## liabilities not shown on balance sheet

Friends of the Earth International entered into an agreement with Milieudefensie for the rent of their office space. The agreement runs from 1 November 2005 until 31 October 2020 and the initial annual rent was € 33,782. The amount is adjusted annually by the percentage indicated in the Consumers's price index as published by the Dutch Central Bureau of Statistics.

The European Union project subsidy of 2017 for Human Rights Defenders work in the Apac region was audited by EU auditors in October 2019. In their report to the European Commission in February 2020 they declared expenses to an amount of € 25,884 ineligible. An appeal has been submitted in April 2020, disputing 92 % of this claim. We are waiting for the final decision by the Commission.

5. subsidies received in advance	2019	2018
dgis-gla international solidarity platform	-	24,000
cultures of resistance	-	4,372
<b>total</b>	<b>0</b>	<b>28,372</b>

6. donor grants balances	2019	2018
bread for the world	6,181	-
marisla foundation	278	-
dgis-gla flg-03	13,937	1,825
dgis-fair, green & global alliance	46,793	97,657
isvara foundation	27,334	30,373
swedish society for nature conservation	26,681	20,059
european union - grant apac-hrd	-	214,761
european union - erasmus +	-	6,350
<b>total</b>	<b>121,205</b>	<b>371,024</b>

7. unexpended funds	end 2018	result 2019	allocations	end 2019
accumulated surplus	662,780	-152,759	65,784	575,805
fund for nepal	2,985	-	-	2,985
fund for membership development	10,000	-	-	10,000
fundraising investment fund	35,784	-	-35,784	-
reserve for international secretariat	30,000	-	-30,000	-
hrd emergency fund	20,355	-	-	20,355
<b>total</b>	<b>761,903</b>	<b>-152,759</b>	<b>0</b>	<b>609,144</b>



## notes to the balance sheet *continued*

### appropriation of result

In accordance with the budget for 2019, as approved by the Executive Committee in 2018, the negative result of Euro 152,759 will be withdrawn from the following allocated reserves: An amount of 35,784 Euros has been withdrawn from the Fundraising Investment fund and 7,284 Euros have been withdrawn from the fund for Membership Development. From the reserve for the International Secretariat an amount of 30,000 Euros has been withdrawn in line with the approved budget for 2019. The reserve allocated for the Membership Development will be re-supplemented with 7,284 Euros. The result of supplemented and withdrawn allocations, an amount of 86,975 Euros, will be withdrawn from the general reserves.

## notes to the statement of revenues and expenditures

(amounts in euro)

### 1. membership fees

Membership fees are calculated at 1.15 % of member groups' unrestricted income plus 0.13 % of their restricted income of two years ago. The fees for 2019 were thus based on groups' income from 2017 and amounted to € 565,062, an increase of € 15,000 compared to 2018, but less than the budgeted € 650,000. We had anticipated larger contributions from some of the bigger member groups. Differing interpretations of the membership fees bylaws lead us to work on additional guidelines for the calculation of the fees and more detailed definitions of the categories of restricted and unrestricted income. This is likely to yield an higher amount of fees in 2020.

2. interest & miscellaneous	2019	budget	2018
interest	189	1,000	495
miscellaneous	2,619	-	3,281
<b>total</b>	<b>2,808</b>	<b>1,000</b>	<b>3,775</b>

Interest rates on our savings account are very low. Some accounts pay 0 %, some a tiny amount of 0,5 % or less. Some accounts charge negative interest when the balance exceeds a threshold level. We are avoiding generating balances that are too high on those accounts.

### 3. donor income (institutional funders)

	2019	budget	2018
milieudensie/dgis: fair, green & global alliance	1,094,444	1,143,581	1,191,447
milieudensie/dgis: green livelihoods alliance	347,910	342,500	419,084
european union: hr defenders asia-pacific region	253,409	211,245	372,510
isvara foundation	133,039	130,000	259,181
swedish society for nature conservation	192,732	146,207	194,018
bread for the world 2017-2020	105,499	127,233	138,387
iucn-nl / netherlands postcode lottery	45,120	16,200	113,737
foe switzerland contribution palm oil project	23,338	15,483	39,439
bread for all palm oil project	30,000	30,000	30,000
contribution foe netherlands	1,783	-	29,974
contribution foe europe	2,764	-	10,350
cultures of resistance	4,372	-	-
other donors	22,359	-	-
european union: erasmus +	-	-	40,189
european union: school of sustainability	-	-	-5,323
<b>total</b>	<b>2,256,770</b>	<b>2,162,449</b>	<b>2,832,993</b>

The donor income amount is based on the part of the grants that was spent in the respective year. So when the actual amount is lower than the budgeted amount this is explained by a delay in implementation. When the actual amount is higher than the budgeted amount this is because the donor has contributed additional funding in the course of 2019, as was the case with the Green Livelihoods Alliance and the Swedish Society for Nature Conservation. In other cases there were remaining funds from 2018 that were not yet known when the budget was approved, as was the case with the funding from the Fair, Green & Global Alliance and the European Union.

The subsidies from the Ministry of Foreign Affairs (DGIS) are for the period 2016-2020. The subsidy from the EU for the HR Defenders project in the Asia-Pacific region is for the period January 2017-November 2019. The subsidy from the Swedish Society for Nature Conservation is for the period 2017-2020. The subsidy from the Netherlands Postcode Lottery ends in 2019, and the same applies for the subsidies from Bread for All and Friends of the Earth Switzerland. The grants from Marisla Foundation and Cultures of Resistance are for 2019 only.

# notes to the statement of revenues and expenditures *continued*

4. foei meetings	2019	budget	2018
biennial general meeting nigeria	-	-	150,885
translations general meeting	-	-	9,593
membership development team meeting	17,467	12,000	18,562
<b>total</b>	<b>17,467</b>	<b>12,000</b>	<b>179,039</b>

## 5. program activities per program

programs:

climate justice & energy program (cje)  
economic justice & resisting neoliberalism (ejrn)  
food sovereignty program (fs)  
forest and biodiversity program (fb)

hrd:

human rights defenders project

	budget	2019	cje	ejrn	fs	fb	cross program	hrd
<b>international programs:</b>								
program coordination	425,000	391,349	97,721	69,978	119,672	101,896	2,081	-
program / project meetings		46,370	19,071	-	-	-	27,299	-
international representation		128,618	38,819	29,936	4,891	54,971	-	-
exchanges / capacity building		33,500	1,084	5,957	23,088	3,371	-	-
communications materials & translations		57,298	10,674	26,457	9,277	10,890	-	-
<i>program activities subtotal</i>	<i>260,000</i>	<i>265,786</i>	<i>69,648</i>	<i>62,350</i>	<i>37,257</i>	<i>69,232</i>	<i>27,299</i>	<i>-</i>
<b>international programs total</b>	<b>685,000</b>	<b>657,135</b>	<b>167,370</b>	<b>132,328</b>	<b>156,929</b>	<b>171,128</b>	<b>29,380</b>	<b>-</b>
<b>national projects total</b>	<b>333,597</b>	<b>398,040</b>	<b>47,662</b>	<b>89,593</b>	<b>38,974</b>	<b>43,090</b>	<b>-</b>	<b>178,722</b>

The program coordination costs were lower than budgeted due to a favourable exchange rate of the Euro in 2019. There were higher expenses for national project thanks to the additional contribution from the Swedish Society for Nature Conservation for Human Rights Defenders work in Brazil. Also expenses by the partners in the European Union project were higher because of the use of fund remaining from 2018.

## 6. human rights defenders work

FoEI's Human Rights defenders work is financed by various donors. The European Union provides funding specifically for FoE's Asia and Pacific (APac) region, which includes support for emergency grants, trainings in the region, human rights treaty work in Geneva and the development of a curriculum for HR trainings across the federation. The Swedish Society for the Conservation of Nature provides funding specifically for Friends of the Earth Brazil and the Latin-American region. They also support the development of our International Solidarity System, as does the Green Livelihoods Alliance. The Fair, Green and Global Alliance provides funding for the protection of human rights defenders as well.

international solidarity system	2019	budget	2018
solidarity fund	31,830	26,500	58,502
human rights delegations	3,850	10,000	1,253
human rights defenders trainings & evaluation	25,403	-	11,195
human rights defenders materials	1,221	6,000	724
curriculum development	1,794	-	3,367
international solidarity system	31,401	30,000	14,065
<b>total</b>	<b>95,499</b>	<b>72,500</b>	<b>89,106</b>

solidarity emergency funding	2019	budget	2018
foe cameroon	1,272	-	-
foe honduras	5,385	-	-
foe togo	1,000	-	-
foe palestine	9,905	-	5,000
foe bangladesh	7,550	-	4,373
foe malaysia	968	-	2,200
community partner foe brasil	-	-	8,000
foe indonesia	-	-	16,337
foe philippines	-	-	10,592
community partner foe cameroon	-	-	5,000
foe colombia	-	-	2,000
foe el salvador	-	-	2,000
others	5,750	-	3,000
<b>total</b>	<b>31,830</b>	<b>26,500</b>	<b>58,502</b>

## notes to the statement of revenues and expenditures *continued*

<b>7. capacity building cross regional</b>	<b>2019</b>	<b>budget</b>	<b>2018</b>
capacity building cross-regional	32,383	32,000	56,301
youth trainings and exchanges	-	-	37,329
<b>total</b>	<b>32,383</b>	<b>32,000</b>	<b>93,630</b>

The International Solidarity System has become the overarching term for our human rights defenders work. The international solidarity platform, which is an element of it, was mentioned separately in the 2018 statement of revenues and expenditures. In the comparative numbers presented here these costs are included in the total amount for human rights defenders work.

In the 2018 financial statements the gender justice work was included in the budget line for capacity building/youth exchanges. In these statements this work is mentioned in a separate budget line.

<b>8. regional activities</b>	<b>2019</b>	<b>budget</b>	<b>2018</b>
regional meeting asia-pacific region	31,283	-	20,965
regional meeting latin american & caribbean region	24,671	-	22,090
regional meeting african region	29,814	-	28,695
<b>total</b>	<b>85,769</b>	<b>-</b>	<b>71,751</b>
capacity building activities asia-pacific region	9,736	-	12,700
capacity building activities latin-american & caribbean region	38,165	-	32,636
capacity building activities african region	29,049	-	42,133
<b>total</b>	<b>76,950</b>	<b>-</b>	<b>87,468</b>
regional facilitation asia-pacific region	21,042	-	33,133
regional facilitation latin american & caribbean region	19,280	-	18,424
regional facilitation african region	10,595	-	10,293
<b>total</b>	<b>50,917</b>	<b>-</b>	<b>61,850</b>
hrd focal point asia-pacific region	6,238	-	-
hrd focal point latin american & caribbean region	4,786	-	-
hrd focal point african region	2,490	-	-
<b>total</b>	<b>13,514</b>	<b>-</b>	<b>-</b>
<b>total regional activities</b>	<b>227,149</b>	<b>240,000</b>	<b>221,069</b>

Each FoE region was provided with a budget of € 80,000 for activities at the regional level in the framework of our joint workplans. Some regions have higher salary costs, other regions spent more on meeting costs.

<b>9. communications</b>	<b>2019</b>	<b>budget</b>	<b>2018</b>
<b>communications materials</b>			
communications activities	25,575	37,500	24,180
freelancers	3,990	-	-
annual report	7,089	13,500	13,136
<b>total</b>	<b>36,654</b>	<b>51,000</b>	<b>37,316</b>
<b>audio visual media, web &amp; radio</b>			
website	2,398	3,000	1,631
spanish/french website	-	-	372
real world radio	103,730	108,835	112,987
<b>total</b>	<b>106,128</b>	<b>111,835</b>	<b>114,990</b>

The expenses of Real World Radio were lower than budgetted because of a favourable Euro exchange rate. A gap in staff capacity has lead to lower expenses for communications activities.

# notes to the statement of revenues and expenditures *continued*

## 10. governance

In 2019 there were two Executive Committee meetings, one in Amsterdam in April and a second one in Utrecht, the Netherlands in September. The September meeting was combined with the meeting of the International Program Coordinators and the Membership Development Team. The costs for the Executive Committee meetings were lower than budgetted because not all members attended each meeting, mostly related to health issues or visa problems. Members of the Executive Committee are not paid for their work. The member group delegating the FoEI Chairperson has been compensated for the loss of time due to her/his activities for FoEI.

chair & executive committee	2019	budget	2018
chair costs	15,000	15,000	12,500
chair travel costs	8,711	10,000	13,263
excom meeting costs	42,661	46,000	54,705
<b>total</b>	<b>66,372</b>	<b>71,000</b>	<b>80,468</b>

## 11. fundraising

The expenses in the budget line here are for fundraising expenses. The salary costs of the fundraisers are listed under staff costs.

## 12. staff salaries

The total spending on salaries was more than € 70,000 lower than budgetted. This was caused by a combination of sick leaves and vacancies that were not filled. By the end of 2019 there was one long-term sick leave case. The employee is expected to fully integrate again by mid 2020.

<i>sick leave percentage</i>		6.9%	6.7%
		<b>2019</b>	<b>2018</b>
<i>international coordinator &amp; fundraiser</i>	international coordinator	1.0	1.0
	international fundraising coordinator	1.0	1.0
	fundraising officer	0.4	0.4
	us-based fundraiser	1.0	1.0
<i>membership development team</i>	international membership development officer	0.8	1.9
	internationalist solidarity system officer	0.8	0.8
<i>programs team</i>	international programs facilitator	0.9	0.9
	international program officers (2)	1.6	1.6
<i>communications team</i>	communications coordinator	0.9	0.9
	communications officer	0.8	-
	real world radio coordinator	0.8	0.8
	technical coordinator	0.8	0.8
<i>support staff</i>	operations manager	0.8	0.8
	finance officer	-	0.8
	office coordinator	0.7	0.7
	events coordinator	0.8	0.8
	human resource officer	0.4	0.4
	bookkeeper	0.6	0.6
		<i>ftu 14.1</i>	<i>ftu 15.2</i>

specification salary costs	2019	budget	2018
gross salaries	726,052	-	762,142
severance payment	-	-	17,000
social security costs	159,355	-	167,821
pension costs	64,172	-	60,296
costs terms & conditions	12,783	-	7,574
other staff costs	8,028	-	9,025
	970,390	-	1,023,859
staff not based in amsterdam office	97,623	-	76,409
free-lancers	-	-	12,977
costs staff recruited from abroad	7,312	-	10,913
salary included in program coordination	-17,699	-	-32,255
<b>total</b>	<b>1,057,625</b>	<b>1,128,930</b>	<b>1,091,903</b>

13. staff costs non-salaries	2019	budget	2018
staff travel (not home-work)	20,588	18,500	39,384
volunteer costs	298	1,000	430
staff development	4,888	10,000	6,451
recruitment costs	612	7,000	6,465
other staff costs	935	-	-
<b>total</b>	<b>27,321</b>	<b>36,500</b>	<b>52,730</b>

## notes to the statement of revenues and expenditures *continued*

14. auditor & administrative costs	2019	budget	2018
auditing costs	38,066	25,000	36,647
administrative costs & bank charges	6,385	5,750	6,307
evaluations	-	8,000	-
currency differences	2,359	2,000	2,272
<b>total</b>	<b>46,811</b>	<b>40,750</b>	<b>45,226</b>

We underbudgetted for audit costs. We will aim to obtain more accurate estimations for these cost in 2020.

15. miscellaneous	2019	budget	2018
membership fees partos, asoc, oneworld	5,628	5,000	5,372
reconciliation bad debts	393	500	3,579
consultancies & coaching	14,516	-	29,160
miscellaneous	2,081	1,000	2,162
<b>total</b>	<b>22,618</b>	<b>6,500</b>	<b>40,273</b>

<i>reconciliation bad debts</i>			
dubious debts written off	-	-	467
balance provision bad debts end 2019	8,122	-	-
balance provision bad debts end 2018	-7,729	-	7,729
balance provision bad debts end 2017	-	-	-4,617
<b>total</b>	<b>393</b>	<b>500</b>	<b>3,579</b>

We have used some of the space in the staff salary budget for coaching of staff who had to deal with the capacity gaps. Another part of this surplus was used for hiring an expert who helped us with the development Safety & Security policies and protocols.

### Events subsequent to the balance date

There are no events subsequent to the balance date that have an impact on these financial statements.

## auditor's report

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### INDEPENDENT AUDITOR'S REPORT

To: the Board of Vereniging Friends of the Earth International in Amsterdam, the Netherlands.

#### A. Report on the audit of the financial statements 2019 included in the annual report

##### Our opinion

We have audited the financial statements 2019 of Friends of the Earth International based in Amsterdam, the Netherlands.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Friends of the Earth International as at 31 December 2019 and of its result for 2019 in accordance with the Guidelines for annual reporting C1 Small not-for-profit organisations of the Dutch Accounting Standards Board.

#### The financial statements comprise:

1. the balance sheet as at 31 December 2019;
2. the statement of revenues and expenditures for 2019; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

#### Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Friends of the Earth International in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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



# auditor's report *continued*

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## B. Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of the Board's report.

Based on the following procedures performed, we conclude that the other information is consistent with the financial statements and does not contain material misstatements.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements. Management is responsible for the preparation of the other information, including the Board's report, in accordance with the Guidelines for annual reporting C1 Small not-for-profit organisations of the Dutch Accounting Standards Board.

## C. Description of responsibilities regarding the financial statements

### Responsibilities of the Board for the financial statements

The Board is responsible for the preparation and fair presentation of the financial statements, in accordance with the Guidelines for reporting C1 Small not-for-profit organisations of the Dutch Accounting Standards Board. Furthermore, the Board is responsible for such internal control as the Board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Board is responsible for assessing the association's ability to continue as a going concern. Based on the financial reporting framework mentioned, the Board should prepare the financial statements using the going concern basis of accounting unless management either intends to dissolve the association or to cease operations, or has no realistic alternative but to do so.

The Board should disclose events and circumstances that may cast significant doubt on the association's ability to continue as a going concern in the financial statements.

### Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements.

Our audit included e.g.:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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;
- obtaining 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 association's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive committee;
- concluding 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 the association'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 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 auditor's report. However, future events or conditions may cause an association to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating 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 findings in internal control that we identify during our audit.

Amsterdam, 29 May 2020

Dubois & Co. Registeraccountants

Valid Signed door M. Belkadi RA  
op 29-05-2020

M. Belkadi RA

# budget 2020

(amounts in euro)

<b>expenses</b>		<b>2020</b>	<b>2019</b>
<i>meetings</i>	biennial general meeting	81,300	-
	membership development team meeting	-	12,000
	gender meeting	20,000	25,000
<i>international programs</i>	program coordination	410,000	425,000
	program activities	243,200	260,000
<i>membership support</i>	member group projects	244,000	333,597
	cross regional capacity building	10,000	32,000
	human rights defenders work	75,866	72,500
<i>regional activities</i>	regional coordination & capacity building	225,000	240,000
	member group evaluations	5,000	7,500
<i>communications</i>	communications materials & tools	35,000	49,000
	web & radio	102,306	113,835
<i>chair &amp; excom</i>	chair & executive committee travel	69,000	71,000
	translations	15,100	15,100
<i>fundraising</i>	fundraising investments	6,000	10,000
<i>secretariat staff</i>	international coordination & fundraising	270,864	271,775
	programs team	185,592	187,300
	membership development team	150,755	212,504
	communications team	199,977	200,460
	support team	215,234	256,891
	staff costs - non-salaries	19,500	36,500
<i>operational costs</i>	rent, maintenance, inventory	62,800	59,900
	computer systems maintenance	14,000	15,000
	communication infrastructure	9,850	12,700
	supplies	6,300	6,500
	auditor & administrative costs	33,000	40,750
	miscellaneous	7,000	7,500
<i>passed on to others</i>	passed on to others	50,000	50,000
<b>total expenses</b>		<b>2,766,644</b>	<b>3,024,312</b>
<b>income</b>		<b>2020</b>	<b>2019</b>
<i>grants</i>	milieudefensie - dgis: fair, green & global	1,051,581	1 143,581
	milieudefensie - dgis: green livelihoods alliance	430,700	342,500
	ssnc	227,921	146,207
	bread for the world	134,733	127,233
	isvara foundation	130,000	130,000
	netherlands postcode lottery	-	16,200
	european union - hrd-apac grant	-	211,245
	bread for all / pro natura	65,400	45,483
<i>core income</i>	surplus previous year	-	33,870
	membership fees	650,000	650,000
	interest	1,000	1,000
	donations	15,000	7,000
<b>total income</b>		<b>2,706,335</b>	<b>2,854,319</b>
<b>balance</b>		<b>-60,309</b>	<b>-169,993</b>



*The extraordinary range of alliances with diverse movements makes Friends of the Earth one of the most powerful voices in global discourse. La Via Campesina's 7th International Agroecology Meeting, Cuba.*

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**international secretariat**

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**Friends of  
the Earth  
International**

