

march 2008



friends of the earth international

FINANCIAL REPORT 2007

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report of the executive committee

For 2007, FoEI successfully increased its productive capacity while reducing the administrative costs of doing our work. Following the strategic plan, FoEI invested more resources into outreach and communication. It was our goal to ensure that we reach a broader public with our messages. We redesigned the website and supported groups' national communication projects including the use of art and culture. FoEI's publications were aimed at new audiences. FoEI's GMO publication was translated into Chinese, Russian and Arabic, reaching out to major populations in countries where FoEI had not been active before. FoEI's forest publication was produced in Latin America and also our first major popular education tool. It is meant to engage the general public in our local and international struggles to halt mono-culture plantations, as well as destructive logging and to promote community based forest management. FoEI also produced another calendar for 2008, showcasing the winners of our international photo contest and describing positive stories on food and agriculture projects around the world. Finally, we have produced two TV documentaries on Palm oil in Indonesia and Gas flaring in Nigeria.

FoEI's income decreased in 2007. This decrease is due to the termination of our TMF1 grant from the Dutch government. A major part of this funding was distributed to our member groups in the South. While it affects our income, the work that FoEI member groups were able to implement under this grant was continued through a funding agreement with IUCN-NL. Because of a new membership calculation policy agreed by the BGM in 2006, FoEI was able to increase its membership income with about 20%.

With regard to expenses, the international secretariat was able to save on its general operating costs. New technology allowed for cheaper international communication; our office accommodation and our agreement with the IT-team of

Milieudefensie taking over our system maintenance were important money-saving factors. The costs of running the federation keep increasing. Swaziland, the location of our international meeting was again an expensive destination. The costs of translation continue to rise as the federation becomes more and more ambitious in its aims to facilitate multilingual discussions at all meetings and on all list-serves.

FoEI's implementation of its strategic plan is well underway. Innovations are being implemented across the board. FoEI has now 5 network development teams in charge of ensuring moving the federation forward: 1) program integration team; 2) membership development team; 3) fundraising team; 4) communications team; and 5) learning team. To facilitate the work of the fundraising team and to strengthen the fundraising capacity of the International Secretariat, FoEI has hired a fundraiser. We expect that the additional fundraising capacity will pay off as we are able to approach more potential donors, especially for our communication strategy and the international program work.

The surplus of 2007 amounts to € 9,069 which will be added to the general reserves.

Finally, Friends of the Earth International gratefully acknowledges financial support from HIVOS, NOVIB/Oxfam Netherlands, the Dutch Ministry for the Environment (VROM), the Dutch Ministry of Foreign Affairs (DGIS-TMF), the Sigrid Rausing Trust, the Swedish Society for Nature Conservation, the Netherlands Committee for Sustainable Development (NCDO), the Isvara Foundation, the C.S. Mott Foundation, the Wallace Global Fund, the JMG Foundation and the Esmée Fairbairn Foundation. Their financial support has been crucial in strengthening our campaigns and our network.

Amsterdam, 31 March 2008



Meena Raman (chair, SAM, Malaysia)



Jagoda Munic (treasurer, Green Action, Croatia)

Tony Juniper (vice-chair, FoE EWNI)

Karin Nansen (REDES, Uruguay)

Godwin Ojo (ERA, Nigeria)

Juan Almendares (FoE Honduras)

Yuri Onodera (FoE Japan)

Edith Abilogo (CED, Cameroon)

Elizabeth Bast (FoE US)

balance sheet 31 december 2007

(amounts in euro)

	2007	2006
fixed assets		
tangible fixed assets (1)	24,751	25,235
current assets		
liquid assets (2)	1,355,268	1,146,450
paid in advance	26,955	11,185
project funds advanced to foe groups	7,506	13,423
accounts receivable (3)	165,903	133,470
	1,555,632	1,304,528
total assets	1,580,383	1,329,763
unexpended funds (4)		
accumulated surplus	270,901	261,408
fund for membership fees alliances	3,575	4,000
	274,476	265,408
current liabilities		
accounts payable (3)	1,044,947	674,653
donor grants balances (5)	260,959	389,702
	1,305,906	1,064,355
total liabilities	1,580,383	1,329,763

statement of revenues and expenditures 2007

	result 2007	budget 2007	result 2006
income			
<i>core</i>			
membership fees (1)	340,622	355,000	286,538
overhead grants	91,706	84,312	84,803
sales	12,163	1,000	12,805
interest & miscellaneous (2)	12,590	12,000	34,591
	457,082	452,312	418,737
<i>campaigns & projects (3)</i>			
donor income for secretariat expenses	335,670	361,470	308,191
grants for activities-campaigns	1,632,332	1,519,081	2,103,244
	1,968,002	1,880,551	2,411,436
total income	2,425,084	2,332,863	2,830,172
expenditures			
<i>secretariat (core)</i>			
administrative staff (4)	108,871	110,000	95,281
staff/volunteer travel and expenses	7,413	12,000	5,240
staff training & education	3,011	5,000	1,940
recruitment	658	6,000	12
office accommodation	44,188	51,000	47,722
office move			7,039
equipment & inventory	8,587	10,500	6,833
office supplies	7,360	7,500	5,614
communications & copying	12,615	18,000	13,731
systems maintenance	13,230	16,000	18,473
consultancies	4,515	2,000	2,165
audits	16,568	9,000	6,630
banking costs & currency differences	6,753	8,500	12,251
memberships, bad debts, miscellaneous (7)	9,855	7,500	3,711
	243,623	263,000	226,644
<i>federation (core)</i>			
bi-annual general meeting	113,926	86,600	117,838
chair costs	11,770	15,000	13,965
executive committee meetings (5)	30,327	26,000	32,372
international coordinator	79,001	77,000	74,426
communications officer	53,486	43,000	44,492
free-lance editor	8,000		
press officer + travel	48,029	45,400	47,124
web team salaries	93,377	74,000	74,791
fundraiser	14,811		
publications including translation (6)	62,136	54,000	51,347
annual report	2,022	5,500	5,545
translations general	22,857	11,795	15,243
	539,740	438,295	477,146
<i>campaigns & membership support fund</i>			
membership development coordinator + travel	62,718	58,571	61,383
international campaigns facilitator + travel	60,498	50,000	47,288
donor evaluation	30,000		
ifi-coordination	85,362	81,399	79,861
tmf project officer	25,907	25,000	33,177
membership support fund (8)	1,162,227	1,203,607	1,618,832
campaigns and projects (8)	205,941	209,075	270,454
	1,632,652	1,627,652	2,110,994
total expenditures	2,416,015	2,328,947	2,814,784
surplus/deficit	9,069	3,916	15,388

accounting policies

general

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. Exchange rate differences have been included in the result.

presentation

The comparative figures for 2007 have been slightly adjusted. The costs for consultancy fees have been separated from miscellaneous costs.

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, telephone switchboard & network infrastructure and computers (hardware & software over Euro 500). Depreciation of computers and switchboard 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 generate an interest of 1,25 %.

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 the notes to the balance.

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

1. tangible fixed assets	inventory	computers	network infrastructure	total
purchase value december 31, 2006	8,219	51,898	10,959	71,077
depreciation december 31, 2006	-6,972	-30,971	-7,899	-45,842
book value december 31, 2006	1,248	20,927	3,060	25,235
investments 2007		8,103		8,103
disposed 2007	-106	-21,085		-21,191
disposed depreciation 2007	106	21,085		21,191
depreciation 2007	-400	-6,827	-1,360	-8,587
book value december 31, 2007	848	22,203	1,700	24,751

2. cash & bank	2007	2006
cash	807	1,668
euro (postbank, current)	7,069	241,891
euro (abn-amro, current)	-8,295	19,260
euro (asn savings-general)	621,371	505,316
euro (asn savings-dgis tmf3)	640,000	317,795
us \$ (abn-amro current)	88,573	54,697
uk £ (cooperative bank, instant)	3,019	3,339
paypal account	2,725	2,485
total	1,355,268	1,146,450

3a. accounts receivable & payable per debtor/creditor	debtors	creditors	transit assets	balance
<i>foe groups (amounts over € 5,000):</i>				
foe cameroon	35	16,854		-16,819
foe costa rica	35	5,664		-5,629
foe colombia		14,346		-14,346
foe europe	1,095	13,245		-12,150
foe ewni	11,326	958		10,369
foe haiti		5,924		-5,924
foe indonesia		13,382		-13,382
foe korea	37,212			37,212
foe malaysia		8,341		-8,341
foe netherlands	3,690	23,697		-20,007
foe nigeria		9,625		-9,625
foe norway	29,090			29,090
foe papua new guinea		6,599		-6,599
foe peru		14,109		-14,109
foe philippines		28,979		-28,979
foe south africa	656	21,337		-20,681
foe swaziland	486	12,181		-11,695
foe uruguay	88	19,586		-19,499
foe us	1,510	24,654		-23,144
<i>donors:</i>				
advanced for hivos			30,000	30,000
advanced for VROM			12,000	12,000
advanced for NCDO			2,000	2,000
<i>others</i>	30,633	102,147	19,116	-52,398
total	115,856	341,628	63,116	-162,656

notes to the balance sheet *continued*

3b. financial assets & liabilities by kind:	2007	2006
assets		
debtors	115,856	98,928
doubtful debtors	-24,165	-18,269
deposits	8,445	8,491
pension fund current account	2,650	8,205
transit assets	63,116	36,115
accounts receivable	165,903	133,470
liabilities		
creditors	340,777	414,729
provision holiday payments	15,711	15,187
DGIS TMF-3 grant received in advance	399,500	189,525
novib grant received in advance	150,000	
mott grant received in advance	78,966	
transit liabilities	29,563	33,820
tax service - wage tax + premiums	30,431	21,392
accounts payable	1,044,947	674,653

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 is 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 by the Consumer's price index as published by The Dutch Central Bureau of Statistics.

4. unexpended funds	end 2006	result 2007	allocations	end 2007
accumulated surplus	261,408	9,494		270,901
fund for membership alliances	4,000	-425		3,575
total	265,408	9,069	0	274,476

5. donor grants balances

hivos	1,500
rausing trust 07-08	74,426
rausing advancement grant 07-08	22,296
isvara foundation	23,825
dgis tmf-3 safeguarding livelihoods	43,562
dgis tmf-4 trade and corporate grant	9,915
cs mott foundation	978
wallace global fund 07-08	10,608
oak gas flaring grant	9,000
climate change litigation project donors*	64,850
total	260,959

* see page 10 for specification of all donors

notes to the statement of revenue and expenses

1. membership fees

Membership fees are calculated at 1.15 % of the member groups' unrestricted income plus 0,13 % of their restricted income of two years ago. The fees for 2007 were thus based on groups' income in 2005 and amounted to € 340,622. This year the increase of the percentages as approved by the 2006 BGM has been implemented. The difference with last year's amount of € 286,538 was therefore considerable. For the fees of 2007 that have not yet been paid an estimate has been made, as well as a provision of € 16,485.

2. interest & miscellaneous:

	2007	2006
interest	6,393	6,781
donations	4,511	908
media services to member groups		25,010
miscellaneous	1,686	1,891
total	12,590	34,591

3. donor income:

(funds used in 2007)

ssnc	84,837		
hivos	68,500		
rausing trust 06-07	41,697		
rausing trust advancement grant 06-07	59,201		
rausing trust 07-08	295,123		
rausing trust advancement grant 07-08	51,614		
novib	180,000		
isvara foundation	76,175		
dgis-tmf 1 grant poverty alleviation	3,000		
dgis-tmf 3 grant safeguarding livelihoods	538,086		
dgis-tmf 4 grant tes-corporate work	339,619		
ncdo worldbank public hearing grant	10,000		
co-funders worldbank public hearing	10,000		
cs mott foundation	101,914		
vrom corporate accountability	20,076		
wallace global fund 06-07	16,936		
wallace global fund 07-08	52,088		
climate change litigation project funds *	110,842		
	including overhead	2,059,708	
	overhead grants	91,706	
total		1,968,002	
			donor income:
			donor contribution core expenses
			activities - campaigns
			335,670
			1,632,332
			1,968,002

* donors include: esmee fairbairn foundation (75,609), jmg foundation (15,750), gpi climate justice programme (15,000), friends of the earth england, wales and northern ireland (10,500) and the world future council (11,000).

notes to the statement of revenue and expenses *continued*

4. staff salaries

At the end of 2007 FoEI had 14 paid staff members. In addition the International Coordinator and the Fundraiser are working externally and do not appear on the payroll. A contract with FoE Netherlands to provide IT services for FoEI has taken effect on January 1, 2007.

	2007	2006
<i>international coordination & fundraising:</i>		
international coordinator	1.0	1.0
fundraiser	0.8	
<i>communications:</i>		
communications officer	0.8	0.8
extranet coordinator	0.8	0.8
media coordinator	0.9	0.9
web coordinator	0.8	0.8
<i>administration:</i>		
finance & personnel manager	0.8	0.8
msf-campaigns assistant	0.3	0.2
tmf-project officer	0.5	0.5
office coordinator	0.8	0.8
bookkeeper	0.4	0.4
<i>membership coordination:</i>		
membership development coordinator	1.0	1.0
membership assistant	0.8	
<i>program facilitation:</i>		
international campaigns facilitator	0.9	0.8
<i>campaign coordination:</i>		
ifi campaign coordinators (2)	1.6	1.6
ifi assistant	0.5	
	12.7	10.4
<hr/>		
specification salary costs		
gross salaries	418,464	407,556
social security costs	63,783	57,656
pension costs	38,563	43,937
costs terms & conditions	3,756	11,556
other staff costs	5,496	7,074
free-lance temporary staff		12,206
project salary income	-421,191	-444,705
	108,871	95,281

The expenses for staff at the secretariat only include administrative staff. All other core positions are specified explicitly in the statement of revenues and expenditures. The international coordinator and communications staff salaries are grouped under federation costs.

5. executive committee

In 2007 the Executive Committee consisted of representatives of the following member groups: Malaysia (chair), England, Wales & Northern Ireland (vice-chair), Croatia (treasurer), Uruguay, Honduras, Japan, Nigeria, Cameroon and the US.

Meetings were held in Amsterdam (February and August), in Elst, the Netherlands (May, coinciding with Strategic Planning Transition Team meeting) and in Swaziland, coinciding with the inter-BGM event.

6. publications	2007	2006
publications		
communications materials	40,467	38,600
other communications projects	3,656	
mailing costs	3,364	6,804
translation materials	5,953	5,943
calendar	8,696	
	62,136	51,347
annual report	2,022	5,545
translations general		
translations other	18,439	12,540
translations interlinkages	4,418	2,704
	22,857	15,243
7. memberships, bad debts, miscellaneous		
membership iucn, asoc, oneworld	2,227	
mutation provision bad debts	5,896	
miscellaneous	1,733	
	9,855	
balance provision bad debts end 2007	24,165	
balance provision bad debts end 2006	18,269	
mutation	5,896	

notes to the statement of revenue and expenses *continued*

8. campaigns and membership support fund

The following donors contributed to the membership support fund in 2007: SSNC, Hivos, the Sigrid Rausing Trust, DGIS and Novib.

The individual reports to the donors specify exactly how each grant has been spent.

The activities funded from the membership support fund included the general foei meeting, program strategy meetings and campaign coordination, support of national campaigns, capacity building, membership development, staff exchanges and international representation. Following the strategic planning a process of program integration was started.

MSF funding decisions are taken by the Executive Committee, following the priorities set by the last general meeting, the funding criteria of the donors and the performance of the groups.

	2007	2006
membership support fund		
membership assessment		2,703
membership development	36,573	53,013
capacity building, skills shares & exchanges	37,776	45,431
strategic planning implementation	65,622	109,207
msf funding economic justice program	41,304	
msf funding climate change program	180,364	72,617
msf funding food & biodiversity program	112,876	57,500
msf funding economic justice program ifi-s	59,680	115,387
msf funding forest program	157,879	178,966
msf funding economic justice program trade	73,664	113,871
msf funding economic justice program corporates	270,931	287,485
msf funding extractives campaign	17,119	
tmf-poverty alleviation programme		501,290
msf communication and outreach	73,452	62,212
network development human rights & gender	34,986	19,150
	1,162,227	1,618,832
salaries coordination & evaluation		
evaluation novib	30,000	
membership developm. coordinator (incl. travel)	62,718	61,383
int. campaigns facilitator (incl. travel)	60,498	47,288
tmf 1-4 project officer (incl. travel)	25,907	33,177
	1,341,349	1,760,679
campaigns funded separately		
ifi campaign (cs mott, wallace global fund, ncdo)	78,892	70,666
global climate change litigation project	106,972	165,038
corporate campaign (vrom)	20,076	34,750
	205,941	270,454
campaigners' salaries		
ifi campaign coordination	85,362	79,861
	291,302	350,315
total campaigns and msf	1,632,652	2,110,994

budget 2008

(amounts in euro)

FEDERATION		2008	financed through project grants:
annual meeting	BGM (incl.translations)	87,500	87,397
chair costs	Chair	10,000	10,000
	Travel costs chair	4,000	4,000
excom travel & expenses	Excom travel & expenses	26,000	18,285
coordination	International Coordinator	80,000	23,972
	Membership Development Coord. + travel	59,000	59,000
	Int. Campaigns Facilitator + travel	50,000	50,000
communications	Communications Officer + Assistance	66,000	10,000
	Media Coordinator	48,000	48,000
	Web Team	78,500	50,440
publications	Publications	43,050	37,050
	Translation publications	8,545	8,545
	Leaflets, merchandise	5,000	5,000
annual report	Annual Report	5,500	5,500
translations	Translations (not AGM or publications)	10,750	10,750
	subtotal	581,845	427,939
	Financed through projects	-427,939	<----
	total federation	153,906	

SECRETARIAT

office/finance personnel	Office/Finance Personnel	120,000	17,030
staff & volunteer expenses	Staff Travel, Volunteers & Other Staff Costs	11,000	
staff training and development	Training & Education	15,000	
recruitment	Recruitment	5,000	
office accommodation	Rent & Maintenance	51,000	
	Inventory & Office Equipment	12,500	
communication	Copies, Postage, Fax, Phone, E-mail, Web	17,000	
office supplies	Supplies, Food & Drinks	7,500	
bank charges & exchange losses	Administrative & Banking Costs	8,500	
it maintenance	IT maintenance	13,000	
auditors	Accountant Audit	9,000	
consultancy	Consultancies (including fundraiser)	25,500	18,500
miscellaneous	Memberships (IUCN), bad debts, miscellaneous	7,500	
	subtotal	302,500	35,530
	Core costs financed through projects	-35,530	<----
	Overhead income from donors	-94,688	
	total secretariat	172,282	

budget 2008 *continued*
CAMPAIGNS & MEMBERSHIP SUPPORT FUND

non-salaries:	Federation & secretariat costs funded by subsidies	463,469
	Donor-funded overhead	94,688
	subtotal	558,157
campaign & project staff:	IFI Coordination	88,000
	TMF-4 Project Officer	24,000
	subtotal	112,000
activities:	IFI Campaign (economic justice)	63,430
	Corporate Campaign (economic justice)	28,650
	Trade Campaign (economic justice)	28,650
	Membership Support Fund	1,106,289
	Strategic Planning implementation	49,966
	Media work	51,440
	Isvara funds for FoE Europe/Foe Netherlands	200,000
	Global Climate Change Litigation Project	177,000
	subtotal	1,705,425
	total campaign-project-MSF	2,375,582
total expenses		2,701,770

CORE INCOME

	Membership fees	325,000
	Subscriptions	1,000
	Interest	10,000
	Donations, Miscellaneous	2,000
	total core income	338,000

DONOR INCOME

	SSNC (MSF)	84,432
	HIVOS (MSF)	70,000
	NOVIB (MSF)	150,000
	Rausing (MSF)	362,500
	Rausing Advancement grant (fundraiser)	18,500
	DGIS Safeguarding Livelihoods TMF-3	550,000
	DGIS TMF-4	335,000
	Mott (IFI)	94,350
	Wallace (IFI)	20,300
	Isvara Foundation	400,000
	EU (through IPS)	100,000
	Climate Change funders (various)	180,000
	total donor income	2,365,082
total income		2,703,082

BALANCE
1,312



To: the management of Vereniging Friends of the Earth International,
Amsterdam.

AUDITORS' REPORT

We have audited the accompanying financial statements 2007 page 4 up to and including page 12 of Vereniging Friends of the Earth International, Amsterdam, which comprise the balance sheet as at 31 December 2007, the profit and loss account for the year then ended and the notes.

Management's responsibility

Management is responsible for the preparation and fair presentation of the financial statements and for the preparation of the management board report, both in accordance with Guideline 640 for Annual Financial Reporting for non-profit organizations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Vereniging Friends of the Earth International as at 31 December 2007, and of its result for the year then ended in accordance with Guideline 640 for Annual Financial Reporting for non-profit organizations.

M. Karman
A.F.C. van Gorp
C. Olijssen

J.M.C. Steeg

dr. N.A.M. Boven
dr. A.W.J. Brouwer
dr. A.P. Eekhof
dr. J.M. Halbeek
dr. G. Veen
dr. J.F. Water

dr. P.H.A. Grooten, R.C.

Amsterdam, 31 March 2008

Dubois & Co. Registeraccountants

Was signed:
M. Karman

A.P. Buijtin



Gills walking home with harvested plantains and cassava, Patience, Ghana.

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