



**Financial Statements
for the year ended 31 December 2015
for
Stichting FERN**

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Stichting FERN

General Information for the year ended 31 December 2015

REGISTERED OFFICE:	Nieuwelaan 9, 2611RR Delft Netherlands Registration : 41169658
BRUSSELS OFFICE:	Mundo B, Rue d'Edimbourg, 26 1050 Brussels, Belgium ☎ +32 2 894 4690
UK OFFICE :	1C Fosseyway Business Ctre Stratford Road Moreton-in-Marsh, GL56 9NQ UK ☎ +44 1608 651 864
WEBSITE :	www.fern.org
AUDITOR:	DGST & Partners, Réviseurs d'entreprises ScivPRL Represented by Mrs Martine PIRET Avenue Emile Van Becelaere, 27A B1170 Brussels Belgium

Brussels 12 May 2016

Avenue E. Van Becelaere, 28A - B 1170 Bruxelles
T. 02 736 43 11 F. 02 732 03 52 martine.piret@dgst.be

**AUDITOR'S REPORT
TO THE BOARD OF DIRECTORS OF STICHTING FERN
FOR THE YEAR ENDED 31 DECEMBER 2015**

As required by law and the association's by-laws, we report to you in the context of our appointment as the foundation's auditor. This report includes our opinion on the annual accounts, as well as the required additional statements. The annual accounts include the balance sheet as at 31 December 2015, the income statement for the year then ended, and the disclosures.

Report on the annual accounts – Unqualified opinion

We have audited the annual accounts of STICHTING FERN for the year ended 31 December 2015, which show a balance sheet total of EUR 6.718.980 and a profit for the year of EUR 28.225.

Responsibility of the board of Directors for the preparation of the annual accounts

The board of Directors is responsible for the preparation of annual accounts that give a true and fair view in accordance with the financial-reporting framework applicable in Belgium, and for such internal control as the board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

Responsibility of the auditor

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISAs). Those standards require that we comply with the ethical requirements and plan and perform the control to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers the association's internal control relevant to the preparation of annual accounts that give a true and fair view, in order to design control 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 valuation rules used and the reasonableness of accounting

estimates made by board of Directors, as well as evaluating the overall presentation of the annual accounts.

We have obtained from board of Directors and foundation officials the explanations and information necessary for our audit.

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

Unqualified opinion

In our opinion, the annual accounts of STICHTING FERN give a true and fair view of the foundation's equity and financial position STICHTING FERN as at 31 December 2015, and of the results of its operations for the year then ended, in accordance with the financial-reporting framework applicable in Belgium.

Report on other legal and regulatory requirements

The board of Directors is responsible for the compliance with the law of 27 June 1921 on non-profit organisations, international non-profit organisations and foundations, with the by-laws and with the legal and regulatory requirements regarding bookkeeping.

In the context of our mandate and in accordance with the Belgian standard which is complementary to the International Standards on Auditing (ISAs) as applicable in Belgium, our responsibility is to verify, in all material respects, compliance with certain legal and regulatory requirements. On this basis, we make the following additional statements, which do not modify the scope of our opinion on the annual accounts:

- Without prejudice to certain formal aspects of minor importance, the accounting records are maintained in accordance with the legal and regulatory requirements applicable in Belgium.
- There are no transactions undertaken or decisions taken in breach of the by-laws or of the Law of 27 June 1921 on non-profit organisations, international non-profit organisations and foundations that we have to report to you.

Brussels, 12 May 2016

ScivPRL « DGST & Partners réviseurs d'entreprises »
auditor represented by



Martine PIRET
Registered auditor

Stichting FERN

Financial Statements for the year ended 31 December 2015 (Euros)

Assets	2015	2014
1. Subscribed capital unpaid		
2. Fixed assets (2.1+2.2+2.3)	77,369	36,717
2.1 Intangible fixed assets	50,224	13,276
2.2 Tangible fixed assets	23,922	20,226
2.3 Financial assets	3,223	3,215
3. Current assets (3.1+3.2.1+3.2.2+3.3+3.4+3.5)	6,641,610	5,264,998
3.1 Stocks		
3.2.1 Debtors due after one year	1,990,840	1,595,387
3.2.2 Debtors due within one year	2,496,964	2,344,670
3.3 Cash at bank and in hand	2,142,768	1,321,684
3.4 Other current assets	-	-
3.5 Accrued income / Deferred expenses	11,038	3,257
Total assets (1+2+3)	6,718,980	5,301,715
Liabilities	2015	2014
4. Capital and reserves (4.1+4.2+4.3+4.4)	309,120	245,937
4.1 Starting capital (restricted)	195,656	195,656
4.2 Reserves (restricted)	34,344	34,344
Subtotal restricted reserves	230,000	230,000
4.3 Reserves (non-restricted)	2,661	21,726
4.3 Surplus / (loss) for current year	28,224	(19,065)
4.4 Capital grant reserve	48,235	13,276
Subtotal non-restricted reserves	79,120	15,937
5. Creditors (5.11+5.12+5.21+5.22)	6,409,860	5,055,778
5.1.1 Long term non-bank debt	-	-
5.1.2 Long term bank debt	-	-
5.2.1 Short term non-bank debt	971,810	561,140
Payables within one year	962,632	537,152
Social security and salary	9,178	23,989
3.5 Accrued expenses / Deferred income	5,438,050	4,494,638
Total liabilities (4+5)	6,718,980	5,301,715
Statement of Financial Activities	2015	2014
6. Operating Income	2,786,517	2,466,040
Specific campaign funding	2,769,472	2,420,165
Core funding & donations	-	4,335
Reimbursements	17,045	41,540
	-	-
7. Costs of material and consumables	-	-
8. Other operating charges	1,851,831	1,716,860
Partner subcontracts	1,045,921	964,096
Audit, consultants, subcontract	349,938	280,071
Travel, meetings, training	226,346	282,097
Printing, editing, translation	136,183	83,257
Office costs	33,494	45,754
Rent & Utilities	40,978	38,677
Office insurance, recruitment & training	18,972	22,909
Taxes	-	-
9. Staff and HR costs	883,683	782,386
10. Gross operating surplus (loss) (6-8-9)	51,003	(33,206)
11. Depreciation and amortisation of fixed assets	11,224	8,332
12. Net operating surplus / (loss) (10-11)	39,779	(41,538)
13. Financial income and value adjustments on financial assets	40,841	17,657
14. Interest paid, bank charges, exchange rate losses and bad debts	52,396	26,481
15. Gains on realisation of debtors	-	31,296
16. Surplus / (loss) on ordinary activities (12+13-14+15)	28,224	(19,065)
17. Extraordinary income and charges	-	-
18. Taxes on surplus	-	-
19. Surplus / (loss) for the financial year (16-17-18)	28,224	(19,065)

Stichting FERN
Notes to the Financial Statements
for the year ended 31 December 2015

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, in accordance with Generally Accepted Accounting Principles in Belgium.

Grants and Donations

Income from donations and grants is included in incoming resources when these are receivable. There are accounted on an accruals basis.

Interest Receivable

Interest is included when receivable by the organisation.

Expenditure

All expenditure is accounted for on an accruals basis and is inclusive of VAT which cannot be recovered.

Depreciation

Fixed Assets are written off over three years straight line for computers having a purchase value of at least €1,000 (excl VAT), and over five years for office furniture having a purchase value of more than €1,000 (excl VAT).

2. TAXATION

The organisation is non-profit making and registered in the Netherlands as a Stichting. It therefore only pays Corporation Tax on investment income and capital gains.

3. CURRENT ASSETS

	<u>2015(€)</u>	<u>2014(€)</u>
Trade debtors	159,463	122,175
Amounts receivable within one year (note 5)	2,337,501	2,222,495
Cash at bank and in hand	2,142,768	1,321,684
Accrued income	1,196	-
Deferred expenses	9,842	3,257
	<u>4,650,770</u>	<u>3,669,611</u>

4. CREDITORS

	<u>2015(€)</u>	<u>2014(€)</u>
Deferred income (note 7)	5,438,050	4,426,310
Trade creditors and balances due to partners	92,609	200,236
Accrued expenses	141,911	68,328
Social security and salary debts	9,178	23,989
Amounts owed to donors	728,112	336,916
	<u>6,409,860</u>	<u>5,055,778</u>

Stichting FERN
Notes to the Financial Statements (cont..)
for the year ended 31 December 2015

5. AMOUNTS RECEIVABLE WITHIN ONE YEAR	<u>2015(€)</u>	<u>2014(€)</u>
FROM DONORS		
Delegation of the European Commission in Ivory Coast	21,189	61,235
Delegation of the European Commission in Liberia	269,899	455,908
Delegation of the European Commission in Vietnam	518,290	570,827
Department for International Development, United Kingdom	1,390,226	873,827
Both Ends, Netherlands	-	25,000
CIDT, University of Wolverhampton, United Kingdom	110,403	69,564
Heinrich Boell Stiftung	2,986	
INTEGRAL, European Commission	24,508	
The Sigrid Rausing Trust, United Kingdom	-	166,134
	<u>2,337,501</u>	<u>2,222,495</u>

5. DEFERRED INCOME	<u>2015(€)</u>	<u>2014(€)</u>
Delegation of the European Commission in Ivory Coast	127,735	280,838
Delegation of the European Commission in Liberia	1,080,694	1,547,727
Delegation of the European Commission in Vietnam	1,008,920	1,444,930
Department for International Development, United Kingdom	2,761,773	563,646
Ford Foundation, United States of America	289,725	207,071
INTEGRAL, European Commission	1,000	35,786
David & Lucille Packard Foundation, United States of America	35,980	-
The Sigrid Rausing Trust, United Kingdom	21,050	175,258
Both Ends, Netherlands	-	40,258
CIDT, University of Wolverhampton, United Kingdom	63,397	122,552
James Goldsmith Foundation	42,796	-
Environmental Investigation Agency	4,980	-
Esmee Fairbairn Foundation, United Kingdom	-	8,244
	<u>5,438,050</u>	<u>4,426,310</u>

7. RESERVES	<u>2015(€)</u>	<u>2014(€)</u>
Starting capital at 1 January	232,661	251,726
Surplus for the financial year	28,224	(19,065)
Subtotal - liquid reserves at 31 December	<u>260,884</u>	<u>232,661</u>
Capital grant reserve	48,235	13,276
Total reserves at 31 December	<u>309,119</u>	<u>245,937</u>

APPROVED BY THE BOARD

DATE: 25 May 2016

Elisa Peter, Chair

Jacques Lauroi, Treasurer

STICHTING FERN																				
INCOME AND EXPENDITURE, BY CAMPAIGN - FOR THE YEAR TO 31 DECEMBER 2015																				
Whole of Fern																				
All figures in euros	Actual as % of Budget=100	Actual 2015			Analysis by Campaign															
		Approved budget 2015	Actual 2014		Core costs		Bio-Energy		Carbon & ecosystem trading		EU Drivers of Deforestation		Forest governance		Finance & Trade		ECA Watch network			
					Actual	budget	Actual	budget	Actual	budget	Actual	budget	Actual	budget	Actual	budget	Actual	budget		
Ford Foundation	87	282,476	326,017	242,671	15,018	10,724	-	-	-	31,050	253,769	284,243	6,139	-	7,550	-	-	-		
Department for International Development, UK Government	94	852,009	907,144	1,165,589	38,691	39,325	-	-	-	-	7,068	-	731,782	765,309	74,468	102,600	-	-		
European Commission - Development Cooperation	70	1,129,848	1,621,202	736,881	107,737	120,302	-	-	-	-	-	-	1,022,112	1,500,900	-	-	-	-		
David & Lucille Packard Foundation	87	138,883	159,334	-	16,247	17,143	65,851	81,109	48,551	57,104	8,234	3,978	-	-	-	-	-	-		
Sigrid Rausing Trust	105	166,132	158,595	139,595	3,420	2,483	-	-	-	-	-	-	-	-	-	-	162,712	156,112		
CBFF, African Development Bank	-	-	-	71,692	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Both Ends	103	39,344	38,357	9,742	2,320	-	1,104	1,998	-	1,998	26,390	24,364	9,530	9,998	-	-	-	-		
Esmee Fairbairn Foundation	-	8,244	-	28,615	-	-	-	-	8,201	-	-	-	-	-	-	-	-	-		
European Commission - Integral Project	97	34,786	35,786	16,938	4,964	5,964	6,800	6,909	-	-	23,022	22,913	(0)	-	-	-	-	-		
European Forest Institute	95	21,158	22,212	-	-	-	-	-	-	-	669	-	20,489	22,212	-	-	-	-		
Partner contributions	-	86,366	-	-	-	-	-	-	-	-	2,000	-	84,366	-	-	-	-	-		
Other	469	14,081	3,000	38,758	2,715	-	64	-	174	-	150	3,000	10,925	-	-	-	54	-		
Reimbursements	-	17,045	-	16,851	-	-	407	-	1,700	-	8,422	-	6,516	-	-	-	-	-		
Bank interest	-	5,161	-	1,334	4,927	-	-	-	-	-	79	-	155	-	-	-	-	-		
Exchange gains	-	31,824	-	15,029	31,432	-	-	-	-	-	392	-	-	-	-	-	-	-		
Creditors written back	-	-	-	31,296	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Subtotal - Income	86	2,827,357	3,271,647	2,514,993	227,470	195,941	74,269	90,016	58,626	90,152	330,195	338,497	1,892,015	2,298,418	82,018	102,600	162,766	156,112		
Staff and HR costs	96	883,683	917,611	782,386	16,866	38,679	50,969	55,054	31,214	62,100	210,221	204,898	488,066	462,744	51,295	63,900	35,053	30,237		
Partner subcontracts	87	1,045,921	1,200,691	964,096	-	-	-	-	8,295	-	-	-	926,626	1,080,816	-	-	111,000	119,875		
Audit, consultants, subcontract	80	349,938	438,045	280,071	14,753	17,800	7,184	12,066	14,318	12,066	29,219	55,000	253,938	310,414	26,060	30,700	4,466	-		
Travel, meetings, training	84	226,346	268,259	282,097	13,580	21,600	10,498	19,879	4,470	12,970	50,123	25,800	132,240	174,010	4,674	8,000	10,760	6,000		
Printing, editing, translation	42	136,183	324,144	83,257	2,763	5,000	5,644	3,016	300	3,016	40,561	50,800	85,431	262,311	-	-	1,484	-		
Office costs	81	33,494	41,500	45,754	32,314	37,400	-	-	-	-	-	-	1,180	4,100	-	-	-	-		
Rent & Utilities	104	40,978	39,400	38,677	40,978	39,400	-	-	-	-	-	-	-	-	-	-	-	-		
Office insurance, recruitment & training	86	18,972	22,000	22,909	18,972	22,000	-	-	-	-	-	-	-	-	-	-	-	-		
Debts written off	-	18,950	-	12,980	18,950	-	-	-	-	-	-	-	-	-	-	-	-	-		
Depn, interest, finance charges	144	18,724	13,000	14,687	13,566	13,000	-	-	-	-	-	-	5,158	-	-	-	-	-		
Exchange losses	-	25,946	-	7,145	25,946	-	-	-	-	-	-	-	-	-	-	-	-	-		
Subtotal - Costs	86	2,799,134	3,264,650	2,534,058	198,688	194,879	74,295	90,016	58,597	90,152	330,124	336,498	1,892,639	2,294,394	82,028	102,600	162,764	156,112		
Surplus / (Deficit)	403	28,224	6,996	(19,066)	28,783	1,063	(27)	-	29	-	71	2,000	(624)	4,024	(11)	0	2	(0)		

Stichting FERN
Notes to the Financial Statements
for the year ended 31 December 2015

INCOME

	<u>2015(€)</u>	<u>2014(€)</u>
Congo Basin Forest Fund, Tunisia	-	71,692
Delegation of the European Commission in Ivory	153,103	25,943
Delegation of the European Commission in Liberia	460,520	324,524
Delegation of the European Commission in Vietnam	428,165	293,556
Department for International Development, UK	852,009	1,165,589
Esmee Fairbairn Foundation, United Kingdom	8,244	28,023
Ford Foundation, United States of America	282,476	242,671
David & Lucille Packard Foundation, United States of America	138,883	-
INTEGRAL, European Commission	34,786	16,938
The Sigrid Rausing Trust, United Kingdom	166,132	139,595
Both Ends, Netherlands	39,344	9,742
Partner Contributions	86,366	-
CIDT, University of Wolverhampton, United Kingdom	88,061	92,857
European Forest Institute	21,158	-
Heinrich Boell Stiftung, Germany	4,986	-
Forest Peoples Programme, United Kingdom	5,240	9,033
Subtotal - Specific Campaign funding	2,769,472	2,420,165
Reimbursements	17,045	41,540
Donations and core income	-	4,335
Subtotal - Operating income	2,786,517	2,466,040
Credit interest	5,161	1,334
Gain on exchange rate	31,824	15,029
Creditors written back	-	31,296
Other income	3,856	1,293
Other income	40,841	48,953
TOTAL OPERATING INCOME	2,827,358	2,514,993

Additional information re funding received from DFID, UK

In line with the audit requirements of the donor, the following information is included with respect to Fern's contract with the Department for International Development, UK. This relates to the new contract which took effect from 1 October 2015.

	<u>2015(€)</u>	<u>2014(€)</u>
Total project income	229,281	-
Total project charges	229,303	-
DFID cash carried forward at 31 Dec 2015	217,464	-