



**Financial Statements
for the year ended 31 December 2017
for
Stichting Fern
(Audited)**

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Stichting FERN

General Information for the year ended 31 December 2017

REGISTERED OFFICE:	Groenesteeg 65 2312 SP Leiden Netherlands Registration : 41169658
BRUSSELS OFFICE:	Mundo B, Rue d'Edimbourg, 26 1050 Brussels, Belgium ☎ +32 2 894 4690
UK OFFICE :	1C Fosseway Business Centre Stratford Road Moreton-in-Marsh, GL56 9NQ UK ☎ +44 1608 652 895
WEBSITE :	www.fern.org
AUDITOR:	DGST & PARTNERS , RÉVISEURS S. CIV.P.R.L BE 0458.736.952 Represented by Mr Pierre SOHET Avenue Van Becelaere, 28/A 1170 Watermael-Boitsfort Brussels, Belgium

**AUDITOR'S REPORT TO THE GENERAL MEETING OF MEMBERS OF THE
"FONDATION STICHTING FERN" FOR THE YEAR ENDED 31 DECEMBER 2017**
Nieuwelaan, 9 – 2611RR DELFT NETHERLAND
RPM Bruxelles BE 0851 515 983

In the context of the audit of the annual accounts of your organisation that your board has entrusted to us, we hereby present our auditor's report.

As it is not a statutory auditor's report, it cannot be published with the annual accounts. It can however be communicated to the authorities that give grants to your association and its activities

Report on the annual accounts

Unqualified opinion

We have audited the annual accounts of the **THE FONDATION STICHTING FERN** (The "Organization"), which comprise the balance sheet as at 31 December 2017, the profit and loss account for the year then ended and the notes to the annual accounts, with a balance sheet total of € 3,565,999.64 and a profit and loss account showing a profit for the year of € 264,770.16.

In our opinion, the annual accounts give a true and fair view of the Organisation's net equity and financial position as at 31 December 2017, as well as of its results for the year then ended, in accordance with the financial reporting framework applicable in Belgium.

Basis for unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Belgium. Our responsibilities under those standards are further described in the '*Statutory auditor's responsibilities for the audit of the annual accounts*' section in this report. We have complied with all the ethical requirements that are relevant to the audit of annual accounts in Belgium, including those concerning independence.

We have obtained from the board of directors and the officials of the Organisation the explanations and information necessary for performing our audit.

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

Observation paragraph

Without questioning to the opinion expressed above, we draw attention to the profit and loss account and the rules for the evaluation of the annual accounts, which include the proceeds of grants, determined on the basis of rules defined by the grantor concerned.

Nevertheless, the eligibility of the subsidiary expenditure must to date still be subject to confirmation on the basis of the control of this same grantor.

Responsibilities of the board of directors for 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.

In preparing the annual accounts, the board of directors is responsible for assessing the Organisation'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 the board of directors either intends to liquidate the Organisation or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a statutory 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

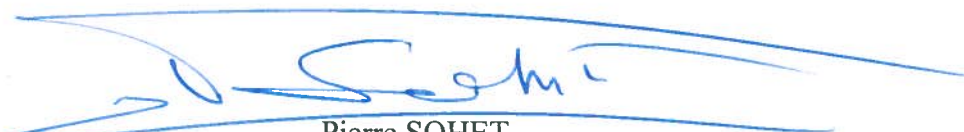
- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material 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 Organisation's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors;
- Conclude on the appropriateness of the board of directors' 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 Organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the annual accounts 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 statutory auditor's report. However, future events or conditions may cause the Organisation to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the annual accounts and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation
- We communicate with the board of 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 identified during our audit.

Namur, 14 September 2018

La SCivPRL « DGST & Partners - Réviseurs d'entreprises »,
Represented by



Pierre SOHET
Réviseur d'entreprises

Stichting FERN

Financial Statements for the year ended 31 December 2017 (Euros)

Balance Sheet		
Assets	2017	2016
1. Subscribed capital unpaid		
2. Fixed assets (2.1+2.2+2.3)	41,638	56,215
2.1 Intangible fixed assets	24,781	37,502
2.2 Tangible fixed assets	16,858	18,712
2.3 Financial assets	-	-
3. Current assets (3.1+3.2.1+3.2.2+3.3+3.4+3.5)	3,524,361	6,074,720
3.1 Stocks		
3.2.1 Debtors due after one year	1,093,095	2,136,946
3.2.2 Debtors due within one year	1,040,775	2,497,690
3.3 Cash at bank and in hand	1,366,614	1,429,142
3.4 Other current assets	-	-
3.5 Accrued income / Deferred expenses	23,879	10,942
Total assets (1+2+3)	3,566,000	6,130,935
Liabilities	2017	2016
4. Capital and reserves (4.1+4.2+4.3+4.4)	567,820	315,109
4.1 Reserves (restricted)	230,000	230,000
Subtotal restricted reserves	230,000	230,000
4.2 Reserves (non-restricted) inc Surplus / (loss) brought forward	218,037	30,886
4.3 Surplus / (loss) for current year	95,666	18,047
4.4 Capital grant reserve	24,118	36,176
Subtotal non-restricted reserves	337,820	85,109
5. Creditors (5.1.1+5.1.2+5.2.1+5.3.1+5.4)	2,998,179	5,815,827
5.1.1 Long term non-bank debt	-	-
5.1.2 Long term bank debt	-	-
5.2.1 Short term non-bank debt	662,584	396,882
Payables within one year	539,739	366,103
Social security and salary	122,845	30,779
5.3.1 Provisions	19,035	25,000
5.4 Accrued expenses / Deferred income	2,316,561	5,393,945
Total liabilities (4+5)	3,566,000	6,130,935
Statement of Financial Activities	2017	2016
6. Operating Income	3,188,231	3,187,236
Specific campaign funding	3,005,925	3,170,464
Core funding & donations	169,104	-
Reimbursements	13,202	16,772
7. Costs of material and consumables	-	-
8. Other operating charges	1,941,725	2,084,432
Partner subcontracts	978,414	1,303,866
Audit, consultants, subcontract	504,220	317,011
Travel, meetings, training	195,470	289,214
Printing, editing, translation	169,423	35,128
Office costs	35,857	88,507
Rent & Utilities	40,636	40,965
Office insurance, recruitment & training	17,706	9,741
Taxes	-	-
9. Staff and HR costs	952,405	983,056
10. Gross operating surplus / (loss) (6-8-9)	294,101	119,748
11. Depreciation and amortisation of fixed assets	24,731	15,257
12. Net operating surplus / (loss) (10-11)	269,370	104,492
13. Financial income and value adjustments on financial assets	28,869	110,458
14. Interest paid, bank charges, exchange rate losses and bad debts	33,468	196,903
15. Gains on realisation of debtors	-	-
16. Surplus / (loss) on ordinary activities (12+13-14+15)	264,770	18,047
17. Extraordinary income and charges	169,104	-
18. Taxes on surplus	-	-
19. Surplus / (loss) for the financial year (16-17-18)	95,666	18,047

Stichting FERN
Notes to the Financial Statements
for the year ended 31 December 2017

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>2017(€)</u>	<u>2016(€)</u>
Trade debtors	188,899	128,616
Amounts receivable within one year (note 5)	851,876	2,369,074
Cash at bank and in hand	1,366,614	1,429,142
Accrued income	1,371	472
Deferred expenses	22,508	10,470
	<u>2,431,267</u>	<u>3,937,773</u>

4. CREDITORS

	<u>2017(€)</u>	<u>2016(€)</u>
Deferred income (note 6)	2,316,560	5,393,944
Trade creditors and balances due to partners	539,457	40,936
Accrued expenses	283	92,656
Social security and salary debts	122,845	30,779
Amounts owed to donors	-	232,510
	<u>2,979,144</u>	<u>5,790,826</u>

Stichting FERN
Notes to the Financial Statements (cont..)
for the year ended 31 December 2017

5. AMOUNTS RECEIVABLE WITHIN ONE YEAR	<u>2017(€)</u>	<u>2016(€)</u>
FROM DONORS		
Delegation of the European Commission in Ivory Coast	-	51,882
Delegation of the European Commission in Vietnam	96,297	-
Department for International Development, United Kingdom	287,676	1,595,856
Ford Foundation, United States of America	380,391	380,390
CIDT, University of Wolverhampton, United Kingdom	-	67,418
Waterloo Foundation, UK	32,825	-
David & Lucille Packard Foundation, United States of America	-	218,724
European Climate Foundation, Belgium	4,687	4,805
LIFE+, European Commission	50,000	50,000
	<u>851,876</u>	<u>2,369,074</u>

6. DEFERRED INCOME	<u>2017(€)</u>	<u>2016(€)</u>
Delegation of the European Commission in Ivory Coast	-	8,728
Delegation of the European Commission in Liberia	-	438,116
Delegation of the European Commission in Vietnam	-	407,606
Department for International Development, United Kingdom	760,838	2,176,651
Ford Foundation, United States of America	1,391,584	1,841,691
UK NGO Coalition	24,365	-
LIFE+, European Commission	-	124,999
David & Lucille Packard Foundation, United States of America	50,303	300,003
Waterloo Foundation, UK	55,494	-
Climate & Land Use Alliance	-	62,570
James Goldsmith Foundation, United Kingdom	33,978	33,581
	<u>2,316,561</u>	<u>5,393,945</u>

7. RESERVES	<u>2017(€)</u>	<u>2016(€)</u>
Reserves (restricted) at 1 January	230,000	230,000
Reserves (non-restricted) at 1 January	218,037	30,886
Surplus for the financial year	95,666	18,047
Capital grant reserve	24,118	36,176
Total reserves at 31 December	<u>567,820</u>	<u>315,109</u>

APPROVED BY THE BOARD

DATE:

Elisa Peter, Chair

Jacques Laurol, Treasurer

8. INCOME AND EXPENDITURE

	A	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R
1	STICHTING FERN																
2	INCOME AND EXPENDITURE, BY CAMPAIGN - FOR THE YEAR TO 31 DECEMBER 2017																
3																	
4	<----- Analysis by Work Area ----->																
5	All figures in euros	Actual 2017	Budget 2017	Actual 2016		Core costs		Bio-Energy		Negative Emmissions		Consumption		Development		Trade	
6						Actual	budget	Actual	budget	Actual	budget	Actual	budget	Actual	budget	Actual	budget
7	Income																
8	Ford Foundation	281,004	430,677	352,263		88,576	88,455	7,192	18,166	6,571	30,249	103,547	183,307	49,016	61,504	26,102	48,997
9	Department for International Development, UK Gov	1,424,254	1,275,880	963,585		110,415	61,000	9,943	-	13,859	-	198,039	168,753	1,046,877	967,548	45,121	78,578
10	European Commission - Development Cooperation	697,995	197,441	1,429,884		(942)	-	-	-	-	-	-	-	698,937	197,441	-	-
11	European Commission - Operating Grant	124,999	125,000	124,999		123,514	125,000	-	-	1,313	-	172	-	-	-	-	-
12	David & Lucille Packard Foundation	235,945	239,343	160,013		23,215	21,008	106,755	116,296	105,975	102,039	-	-	-	-	-	-
13	Sigrid Rausing Trust	-	-	21,050		-	-	-	-	-	-	-	-	-	-	-	-
14	JMG Foundation	33,369	34,168	42,584		-	-	26,220	27,168	-	-	7,149	7,000	-	-	-	-
15	Climate & Land Use Alliance	62,419	23,458	26,864		5,669	-	-	-	-	-	56,750	23,458	-	-	-	-
16	European Climate Foundation	67,687	70,971	48,222		10,932	3,500	-	-	56,755	67,471	-	-	-	-	-	-
17	UK NGO Coalition	16,514	-	-		1,436	-	-	-	-	-	15,078	-	-	-	-	-
18	Waterloo Foundation	61,739	-	-		2,598	-	-	-	-	-	59,142	-	-	-	-	-
23	Other	24,564	14,500	5,219		(128)	1,500	-	-	18,507	-	2	-	6,183	13,000	-	-
24	Reimbursements	13,202	-	16,772		4,626	-	8,203	-	(1,538)	-	1,526	-	338	-	47	-
25	Bank Interest	1,596	-	2,419		1,596	-	-	-	-	-	-	-	-	-	-	-
26	Foreign Exchange gain	2,708	-	103,820		2,676	-	-	-	28	-	4	-	-	-	-	-
27	Creditors written back	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
28	Exceptional income (Ford BUILD Grant)	169,104	-	-		169,104	-	-	-	-	-	-	-	-	-	-	-
29																	
30	Subtotal - Income	3,217,099	2,411,438	3,297,694		543,287	300,463	158,312	161,630	201,471	199,759	441,409	382,518	1,801,352	1,239,493	71,270	127,575
31																	
32	Expenditure																
33	Staff and HR costs	952,405	954,301	983,056		43,638	62,717	116,315	101,130	124,526	114,488	246,927	229,804	372,583	371,086	48,415	75,076
34	Partner subcontracts	978,414	578,190	1,303,866		-	-	-	-	-	-	42,832	-	935,582	578,190	-	-
35	Audit, consultants, subcontract	504,288	367,351	317,011		43,168	62,000	20,276	41,000	56,229	47,357	89,057	70,270	280,711	115,724	14,847	31,000
36	Travel, meetings, training	195,402	194,595	289,214		40,101	34,400	19,516	9,500	11,758	16,580	28,489	38,721	87,594	76,894	7,943	18,499
37	Printing, editing, translation	169,423	171,361	35,128		15,134	12,000	2,026	10,000	8,792	21,334	32,703	40,527	110,767	84,500	-	3,000
38	Office costs	35,857	42,496	88,507		32,331	39,200	-	-	-	-	1,382	3,196	2,144	100	-	-
39	Rent & Utilities	40,636	41,700	40,965		40,636	41,700	-	-	-	-	-	-	-	-	-	-
40	Insurance & HR costs	17,706	17,000	9,741		17,706	17,000	-	-	-	-	-	-	-	-	-	-
41	Debts written off	-	-	25,461		-	-	-	-	-	-	-	-	-	-	-	-
42	Depn, Interest, finance charges	24,731	35,400	33,205		12,672	22,400	-	-	-	-	-	-	12,059	13,000	-	-
43	Foreign exchange losses	33,468	-	153,494		33,468	-	-	-	-	-	-	-	-	-	-	-
44	Reserve Contribution (Ford BUILD Grant)	169,104	-	-		169,104	-	-	-	-	-	-	-	-	-	-	-
45																	
46	Subtotal - Costs	3,121,433	2,402,393	3,279,647		447,958	291,417	158,133	161,630	201,304	199,759	441,390	382,518	1,801,441	1,239,493	71,206	127,575
47	Office costs																
48	Surplus / (Deficit)	95,666	9,045	18,047		95,329	9,046	178	-	166	-	18	-	(89)	-	64	-

Stichting FERN
Notes to the Financial Statements
for the year ended 31 December 2017

9. INCOME	<u>2017(€)</u>	<u>2016(€)</u>
Delegation of the European Commission in Ivory Coast	-	119,007
Delegation of the European Commission in Liberia	377,551	644,205
Delegation of the European Commission in Vietnam	320,444	603,275
Department for International Development, United Kingdom	1,424,254	963,585
European Commission (via CIDT, University of Wolverhampton), UK	-	63,397
Waterloo Foundation, UK	61,739	-
LIFE+, European Commission	124,999	124,999
Ford Foundation, United States of America	281,004	352,263
INTEGRAL, European Commission	-	1,000
The Sigrid Rausing Trust, United Kingdom	-	21,050
David & Lucille Packard Foundation, United States of America	235,945	160,013
James Goldsmith Foundation, United Kingdom	33,369	42,584
Climate & Land Use Alliance, United States of America	62,419	26,864
European Climate Foundation, Belgium	67,687	48,222
UK NGO Coalition	16,514	-
Subtotal - Specific Campaign funding	<u>3,005,925</u>	<u>3,170,464</u>
Reimbursements	13,202	16,772
Donations and core income (From Ford Foundation)	169,104	-
Subtotal - Operating income	<u>3,188,231</u>	<u>3,187,236</u>
Credit interest	1,596	2,419
Gain on exchange rate	2,708	103,820
Creditors written back	-	-
Other income	24,564	4,219
Other income	<u>28,869</u>	<u>110,458</u>
TOTAL INCOME	<u>3,217,099</u>	<u>3,297,694</u>

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 Forest Governance, Markets & Climate (FGMC) contract with the Department for International Development, UK. This relates to the contract which took effect from 1 October 2015. Project charges include a contribution to Fern's audit costs.

	<u>2017(€)</u>	<u>2016(€)</u>
Total project income	1,198,339	839,187
Total project charges	-	844,720
DFID cash carried forward at 31 December	317,289	144,911