Greenpeace Foundation

FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2014

ATTACHMENT: INDEPENDENT AUDITOR’S REPORT

Greenpeace Foundation

Deloitte.

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Independent Auditors' Report

The Board of Directors of
Greenpeace Foundation:

Report on the Financial Statements

We have audited the accompanying financial statements of Greenpeace Foundation (the "Foundation"), which comprise the statement of financial position as of December 31, 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows, all expressed in Korean won, for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial statements of the Foundation for the year ended December 31, 2013 presented herein for comparative purposes were audited by Woori Accounting Firm whose report dated January 28, 2014, expressed an unmodified opinion on those statements.

Management's Responsibility for the Financial statements

The Foundation's management is responsible for the preparation and fair presentation of the financial statements in accordance with Korean International Financial Reporting Standards ("K-IFRS") and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an audit opinion on these financial statements based on our audit. We conducted our audit in accordance with Korean Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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.

Deloitte.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Foundation as of December 31, 2014, and its financial performance and its cash flows for the year then ended in accordance with K-IFRS and ACT on the Establishment and Operation of Public-Service Corporations.

Deloitte Anjin LLC

Notice to Readers

This report is effective as of March 24, 2015, the auditors' report date. Certain subsequent events or circumstances may have occurred between the auditors' report date and the time the auditors' report is read. Such events or circumstances could significantly affect the accompanying financial statements and may result in modifications to the auditors' report.

GREENPEACE FOUNDATION

FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2014 AND 2013,AND FOR THE
YEAR ENDED DECEMBER 31, 2014, AND FOR THE
PERIOD FROM OCTOBER 28, 2013 (DATE OF INCORPORATION),
TO DECEMBER 31, 2013,

The accompanying financial statements, including all footnote disclosures, were prepared by, and are the responsibility of, the management of Greenpeace Foundation.

Mario Damato
The Executive Director of the Greenpeace Foundation

GREENPEACE FOUNDATION

STATEMENTS OF FINANCIAL POSITION

AS OF DECEMBER 31, 2014 AND 2013

	Korean won			
	December 31, 2014		December 31, 2013	
ASSETS	(In Korean won)			
Current assets:				
Cash and cash equivalents (Notes 4)	₩	266,584,168	₩	172,509,250
Short-term financial instruments (Note 5)		500,000,000		500,000,000
Other receivables (Note 6)		189,953,499		100,000,000
Other current assets (Note 7)		8,104,505		316,800
Total Current Assets		964,642,172		772,826,050
Non-current assets:				
Property and equipment, net (Notes 8)		137,348,651		5,323,694
Total Non-Current Assets		137,348,651		5,323,694
Total Assets	₩	1,101,990,823	₩	778,149,744
LIABILITIES				
Current liabilities:				
Borrowings (Note 9)	₩	549,600,000	₩	-
Accounts payable		202,217,636		120,295,389
Accrued expenses		56,959,375		-
Withholdings		26,731,070		-
Total Current Liabilities		835,508,081		120,295,389
Non-current liabilities:				
Borrowings (Note 9)		2,748,000,000		211,060,000
Accrued expenses		104,864,823		241,136
Net defined benefit liability (Note 10)		109,054,232		-
Total Non-Current Liabilities		2,961,919,055		211,301,136
Total Liabilities		3,797,427,136		331,596,525
EQUITY				
Basic Fund (Note 11)		500,000,000		500,000,000
Retained earnings(Undisposed deficit) (Note 12)		(3,195,436,313)		(53,446,781)
Total Equity		(2,695,436,313)		446,553,219
Total Liabilities and Equity	₩	1,101,990,823	₩	778,149,744

See accompanying notes to financial statements.

GREENPEACE FOUNDATION

STATEMENTS OF COMPREHENSIVE INCOME

**FOR THE YEAR ENDED DECEMBER 31, 2014,
AND FOR THE PERIOD FROM OCTOBER 28, 2013 (DATE OF INCORPORATION),
TO DECEMBER 31, 2013**

	Korean won			
	2014		2013	
	(In Korean won)			
OPERATING REVENUES:				
Donation revenues (Note 13)	₩	450,340,205	₩	43,964,500
Other revenues(Note 14)		13,497,147		11,147
Total Revenues		463,837,352		43,975,647
OPERATING EXPENSES:				
Operating expenses (Note 15)	₩	3,331,808,822	₩	96,586,294
Other expenses (Note 16)		222,526,615		836,134
Total Expenses		3,554,335,437		97,422,428
Net loss for the period		(3,090,498,085)		(53,446,781)
Other comprehensive loss				
Items that will be subsequently reclassified to profit or loss				
Remeasurement of net defined benefit liability(Note 10)		(51,491,447)		-
Total comprehensive loss for the period	₩	(3,141,989,532)	₩	(53,446,781)

See accompanying notes to financial statements.

GREENPEACE FOUNDATION

STATEMENTS OF CHANGES IN EQUITY

**FOR THE YEAR ENDED DECEMBER 31, 2014,
AND FOR THE PERIOD FROM OCTOBER 28, 2013 (DATE OF INCORPORATION),
TO DECEMBER 31, 2013**

		Basic Fund		Retained earnings (Undisposed deficit)		Total
				(In Korean won)		
Balance at October 28, 2013(date of incorporation)						
Paid-in basic fund increase	₩	500,000,000	₩	-	₩	500,000,000
Current year surplus (deficit)				(53,446,781)		(53,446,781)
Balance at December 31, 2013	₩	500,000,000	₩	(53,446,781)	₩	446,533,219
Balance at January 1, 2014	₩	500,000,000	₩	(53,446,781)	₩	446,533,219
Remeasurement of the net defined benefit liability		-		(51,491,447)		(51,491,447)
Current year surplus/(deficit)		-		(3,090,498,085)		(3,090,498,085)
Balance at December 31, 2014	₩	500,000,000	₩	(3,195,436,313)	₩	(2,695,436,313)

See accompanying notes to financial statements.

GREENPEACE FOUNDATION

STATEMENTS OF CASH FLOWS

**FOR THE YEAR ENDED DECEMBER 31, 2014,
AND FOR THE PERIOD FROM OCTOBER 28, 2013 (DATE OF INCORPORATION),
TO DECEMBER 31, 2013**

	Korean won			
	2014		2013	
	(In Korean won)			
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash generated from operations (Note 19)	₩	(2,574,968,708)	₩	(32,249,963)
Interest received		6,602,147		11,147
Net cash used in operating activities		(2,568,366,561)		(32,238,816)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Disposal of property, plant and equipment		20,000		-
Acquisition of property, plant and equipment		(202,025,937)		(5,475,800)
Increase in short-term investment		-		(500,000,000)
Net cash used in investing activities		(202,005,937)		(505,475,800)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Increase in basic fund		-		500,000,000
Increase in borrowings		2,866,601,311		208,438,864
Net cash provided by financing activities		2,866,601,311		708,438,864
NET INCREASE IN CASH AND CASH EQUIVALENTS		96,228,813		170,724,248
CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD		172,509,250		-
EFFECT OF EXCHANGE RATE CHANGES ON CASH EQUIVALENTS		(2,153,895)		1,785,002
CASH AND CASH EQUIVALENTS, END OF THE PERIOD	₩	266,584,168	₩	172,509,250

See accompanying notes to financial statements.

GREENPEACE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2014 AND 2013, FOR THE YEAR ENDED DECEMBER 31, 2014, AND FOR THE PERIOD FROM OCTOBER 28, 2013 (DATE OF INCORPORATION), TO DECEMBER 31, 2013

1. GENERAL:

Greenpeace Foundation (the "Foundation") is a not-for-profit organization incorporated in Korea. The address of its registered office is 2nd floor, wausan-ro 21gil, mapo-gu, Seoul, Korea.

The Foundation is principally engaged in promoting, encouraging, further establishing, procuring and achieving the protection of wildlife, the elimination of threats and damage to the environment. The Foundation was established based on contribution amounting to ₩500,000,000 by Greenpeace East Asia (Hong Kong).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTING FINANCIAL STATEMENTS:

(1) Basis of Preparation

The Foundation has prepared accompanying financial statements in accordance with the Korean International Financial Reporting Standards ("K-IFRS") for the annual period beginning on October 28, 2013 (date of incorporation), as well as the ACT on the Establishment and Operation of Public-Service Corporations.

The accompanying financial statements have been prepared on the historical cost basis except for certain non-current assets and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given.

The principal accounting policies are set out below.

The Foundation maintains its official accounting records in Republic of Korean won ("won") and prepares financial statements in accordance with K-IFRS. Accordingly, these financial statements are intended for use by those who are informed about K-IFRS and Korean practices.

1) Amendments to K-IFRSs and new interpretation that are mandatorily effective for the current year

The Foundation has applied a number of amendments to K-IFRSs and new interpretation issued that are mandatorily effective for an accounting period that begins on or after January 1, 2014.

Amendments to K-IFRS 1032 – Financial Instruments: Presentation

The amendments to K-IFRS 1032 clarify the requirement for the offset presentation of financial assets and financial liabilities: the right to offset must not be conditional upon the occurrence of future events and can be exercised anytime during the contract periods. The right to offset is executable even in the case of default or insolvency. As the Foundation does not have any financial assets and financial liabilities that qualify for offset based on the criteria set out in the amendments and concluded that the application of the amendments has no significant impact on the Foundation's financial statements.

Amendments to K-IFRS 1110, 1112 and 1027 – Investment Entities

The amendments introduced an exception to the principle in K-IFRS 1110 Consolidated financial statement that all subsidiaries shall be consolidated. The amendments define an investment entity and require a reporting entity that meets definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements. Also, the consequential amendments have been made to K-IFRS 1112, *Disclosure of Interests in Other Entities*, and K-IFRS 1027, *Separate Financial Statements*, to introduce new disclosure requirements for investment entities.

As the Foundation is not an investment entity, the application of the amendments has no significant impact on the Foundation's financial statement.

Amendments to K-IFRS 1036 – Impairment of Assets

The amendments introduced disclosure requirements of recoverable amount when the recoverable amount of an asset or cash generating unit is measured at fair value less costs of disposal. The application of these amendments has no impact on the disclosure in the Foundation's financial statements.

Amendments to K-IFRS 1039 – Financial Instruments: Recognition and Measurement

The amendments permit the Foundation to use hedge accounting when, as a consequence of laws or regulations or the introduction of laws or regulations, the original counterparty to the hedging instrument is replaced by a central counterparty or an entity which is acting as counterparty in order to effect clearing by a central counterparty. The adoption of the amendments has no significant impact on the Foundation's financial statements.

Enactment of K-IFRS 2121 – Levies

The enactment defines that the obligating event giving rise to the recognition of a liability to pay a levy is the activity that triggers the payment of the levy in accordance with the related legislation. The enactment has no significant impact on the Foundation's financial statements.

2) New and revised K-IFRSs in issue but not yet effective

The Foundation has not applied the following new and revised K-IFRSs that have been issued but are not yet effective.

Amendments to K-IFRS 1019 – Employee Benefits

The amendments permit the Foundation to recognize amount of contributions as a reduction in the service cost in which the related service is rendered if the amount of the contributions are independent of the number of years of service. The amendments are effective for the annual periods beginning on or after July 1, 2014.

Amendments to K-IFRS 1016 – Property, plant and Equipment

The amendments to K-IFRS 1016 prohibit the Foundation from using a revenue-based depreciation method for items of property, plant and equipment. The amendments are effective for the annual periods beginning on or after January 1, 2016.

Amendments to K-IFRS 1038 – Intangible Assets

The amendments apply prospectively for annual periods beginning on or after January 1, 2016. The amendments to K-IFRS 38 rebuts presumption that revenue is not an appropriate basis for the amortization of an intangible assets, which the presumption can only be rebutted when the intangible asset expressed as a measure of revenue or when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

Amendments to K-IFRS 1111 – Accounting for Acquisitions of Interests in Joint Operations

The amendments to K-IFRS 1111 provide guidance on how to account for the acquisition of joint operation that constitutes a business as defined in K-IFRS 1103, *Business Combinations*. A joint operator is also required to disclose the relevant information required by K-IFRS 1103 and other standards for business combinations. The amendments to K-IFRS 1111 are effective for the annual periods beginning on or after January 1, 2016.

Annual Improvements to K-IFRS 2010-2012 Cycle

The amendments to K-IFRS 1002 (i) changes the definitions of 'vesting condition' and 'market condition'; and (ii) add definition for 'performance condition' and 'service condition' which were previously included within the definition of 'vesting condition.' The amendments to K-IFRS 1103 clarify the classification and measurement of the contingent consideration in business combination. The amendments to K-IFRS 1108 clarify that a reconciliation of the total of the reportable segments' assets should only be provided if the segment assets are regularly provided to the chief operating decision maker. The amendments are effective for the annual periods beginning on or after July 1, 2014.

Annual Improvements to K-IFRS 2011-2013 Cycle

The amendments to K-IFRS 1103 clarify the scope of the portfolio exception for measuring the fair values of the group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope the standard does not apply to the accounting for the formation of all types of joint arrangement in the financial statements of the joint arrangement itself. The amendments to K-IFRS 1113, *Fair values Measurements,* and K-IFRS 1040, *Investment Properties,* exist and these amendments are effective to the annual periods beginning on or after July 1, 2014.

(2) Cash and cash equivalents

Cash and cash equivalents include cash, cash equivalent securities, including checks issued by others, and checking accounts, ordinary deposits and financial instruments, which can be easily converted into cash and whose value changes due to changes in interest rates are not material, with an original maturity of three months or less from the date of acquisition.

(3) Financial instruments

All financial instruments are recognized and derecognized on trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the time frame established by the market concerned, and are initially measured at fair value, plus transaction costs except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets or financial liabilities except for equity instruments, derivatives and financial instruments at fair value through profit or loss are measured at amortized cost.

At each reporting date, the Foundation reviews whether events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment losses are recognized when the reliably estimated recoverable amounts are less than the carrying amount and it is not obviously evidenced that impairment is unnecessary.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss is recorded and the reversal of an impairment loss does not exceed the carrying amount that would have been determined without having recognized an impairment loss in prior years. The reversal is recognized in profit or loss.

(4) Property and equipment

Property, plant and equipment are stated at cost less subsequent accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment is directly attributable to their purchase or construction, which includes any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. It also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Assets acquired through investment in kind or donations are recorded at their fair value upon acquisition. For assets acquired in exchange for a non-monetary asset, the fair value of the asset given up is used to measure the cost of the asset received unless the fair value of the asset received is more clearly evident.

Subsequent costs are recognized in carrying amount of an asset or as a separate asset if it is probable that future economic benefits associated with the assets will flow into the Foundation and the cost of an asset can be measured reliably. Routine maintenance and repairs are expensed as incurred.

The Foundation does not depreciate land. Depreciation expense is computed using the straight-line method based on the estimated useful lives of the assets as follows:

Type of Asset	Life
Structures	2 years
Equipment	3 years

The Foundation reviews the depreciation method, the estimated useful lives and residual values of property, plant and equipment at the end of each annual reporting period. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

(5) Revenue recognition

When no performance obligation is included, the grants are recognized as income when the proceeds are receivable. However, when future performance conditions are included, the grants are only recognized as income when the performance conditions are met.

(6) Impairment assets

The carrying amounts of the Foundation's non-financial assets are reviewed at each reporting date to determine whether there is any indication that the assets are impaired. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognized if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the statements of comprehensive income.

The recoverable amount of an asset is the greater of its value in use and its amortized cost less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining amortized cost less costs to sell, an appropriate valuation model is used.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

(7) Retirement and severance benefits

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are composed of service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements), net interest expense (income) and remeasurement.

The Foundation presents the service cost and net interest expense (income) components in profit or loss, and the remeasurement component in other comprehensive income. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognized in the statement of financial position represents the actual deficit or surplus in the Foundation's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

(8) Foreign currency transactions

Functional and presentation currency
The financial statements of the Foundation are presented in the currency of the primary economic environment in which the Foundation. For the purpose of the financial statements, the results and financial position of the Foundation are expressed in Korean won, which is the functional currency of the Foundation and the presentation currency for the financial statements.

Foreign currency transactions
Transactions in currencies other than the Foundation's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognized in profit or loss in the period in which they arise.

3. CRITICAL ACCOUNTING ESTIMATES ADN ASSUMPTIONS:

In the application of the Foundation accounting policies, which are described in Note 2, the management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(1) Defined benefit plan

The Foundation's defined benefit obligation is determined based on the actuarial valuation carried out at the end of each annual reporting period. Actuarial assumptions are the Foundation's best estimates of the variables in determining the cost of providing postretirement benefits, such as discount rates, rates of expected future salary increases and mortality rates. Significant estimation uncertainty is likely to persist in making such assumptions due to the long-term nature of post-retirement benefit plan.

4. CASH AND CASH EQUIVALENTS:

Cash and cash equivalents as of December 31, 2014 and 2013, are summarized as follows (Unit: Korean won in thousands):

	2014		2013	
Demand deposits	₩	100,601	₩	14,214
Foreign currencies		165,983		158,295
Total	₩	266,584	₩	172,509

5. SHORT-TERM INVESTMENTS:

Short-term financial instruments as of December 31, 2014 and 2013, are summarized as follows (Unit: Korean won in thousands):

Accounts	Financial institution	Interest rates	2014		2013	
Fixed Deposits	Korea Exchange Bank	2.75%	₩	500,000	₩	500,000

6. OTHER RECEIVABLES:

Other receivables as of December 31, 2014 and 2013, consist of the following (Unit: Korean won in thousands):

	2014		2013	
Other current receivables				
Rental and other deposits	₩	181,050	₩	100,000
Receivable : FR INC		1,663		-
Receivable : Other INC		7,240		-
	₩	189,953	₩	100,000

7. OTHER ASSETS:

Other assets as of December 31, 2014, and 2013, are as follows (Unit: Korean won in thousands):

	2014		2013	
Other current assets				
Advance payments	₩	830	₩	-
Prepaid expenses		7,275		317
	₩	8,105	₩	317

8. PROPERTY AND EQUIPMENT:

(1) Details of property and equipment as of December 31, 2014 and 2013, are as follows (Unit: Korean won in thousands):

	December 31, 2014					
	Structures in leased office		Equipment		Total	
Acquisition cost	₩	85,191	₩	121,727	₩	206,918
Accumulated depreciation		(39,055)		(30,514)		(69,569)
Net carrying value	₩	46,136	₩	91,213	₩	137,349

	December 31, 2013					
	Structures in leased office		Equipment		Total	
Acquisition cost	₩	-	₩	5,476	₩	5,476
Accumulated depreciation		-		(152)		(152)
Net carrying value	₩	-	₩	5,324	₩	5,324

(2) Changes in property and equipment for the year ended December 31, 2014, and for the period from October 28, 2013 (date of incorporation), to December 31, 2013, are as follows (Unit: Korean won in thousands):

	Book value as of January 1, 2014		Acquisitions		Disposals		Depreciation		Book value as of December 31, 2014	
Structures in leased office	₩	-	₩	85,191	₩	-	₩	(39,055)	₩	46,136
Equipment		5,324		116,835		(434)		(30,512)		91,213
	₩	5,324	₩	202,026	₩	(434)	₩	(69,567)	₩	137,349

	Book value as of October 28, 2013		Acquisitions		Disposals		Depreciation		Book value as of December 31, 2013	
Structures in leased office	₩	-	₩	-	₩	-	₩	-	₩	-
Equipment		-		5,476		-		(152)		5,324
	₩	-	₩	5,476	₩	-	₩	(152)	₩	5,324

9. BORROWINGS:

(1) Borrowings as of December 31, 2014, and 2013, consist of the following (Unit: Korean won in thousands):

	December 31, 2014		December 31, 2013	
	Current	Non-current	Current	Non-current
Long-term borrowings	₩ 549,600	₩ 2,748,000	₩	₩ 211,060

(2) Long-term borrowings as of December 31, 2014, and 2013, consist of the following (Unit: Korean won in thousands):

	December 31, 2014			
	Borrower	Annual interest rate (%)	Current	Non-current
Long-term borrowings	GPEA office	6.9	₩ 549,600	₩ 2,748,000

	December 31, 2013			
	Borrower	Annual interest rate (%)	Current	Non-current
Long-term borrowings	GPEA office	8.5	₩	₩ 211,060

(3) Aging analysis of the Foundation's long-term borrowings as of December 31, 2014, is as follows (Unit: Korean won in thousands):

	Amount
Within one year	₩ 549,600
More than one year	2,748,000
Total	₩ 3,297,600

10. NET DEFINED BENEFIT LIABILITY:

(1) As of December 31, 2014, amounts recognized in the statements of financial position in relation to retirement benefit obligation are as follows (Unit: Korean won in thousands):

	December 31, 2014
Present value of defined benefit obligation	₩ 109,054
Fair value of plan assets	-
Retirement benefit obligation (net)	₩ 109,054

(2) Changes in the present value of defined benefit obligation for the year ended December 31, 2014, are as follows (Unit: Korean won in thousands):

	December 31, 2014		
	Present value of defined benefit obligation	Fair value of plan assets	Total
Beginning balance	₩ -	₩ -	₩ -
Defined benefit costs recognized in profit or loss			
Current service cost	49,075	-	49,075
Interest expense (income)	1,618	-	1,618
Subtotal	50,693	-	50,693
Defined benefit costs recognized in other comprehensive income			
Actuarial loss from financial assumptions	9,671	-	9,671
Actuarial loss from experience adjustments	41,820	-	41,820
Subtotal	51,491	-	51,491
Contributions	-	-	-
Benefits paid	(29,337)	-	(29,337)
Other increase	36,207	-	36,207
Ending balance	₩ 109,054	₩ -	₩ 109,054

(3) Key actuarial assumptions used as of December 31, 2014, are as follows (Unit: Rate (%)):

	December 31, 2014
Discount rate	2.555
Expected rate of wage increase	2.00

(4) The sensitivity analysis of actuarial assumptions used in defined benefit obligation is as follows (Unit: Korean won in thousands):

		Defined benefit obligation December 31, 2014
Discount rate	Increase by 1% point	₩6,799
	Decrease by 1% point	(7,878)
Expected rate of wage increase	Increase by 1% point	(7,848)
	Decrease by 1% point	6,900

The sensitivity analysis indicates the change in the amounts of defined benefit obligation when each assumption changes without change in the remaining assumptions and are constant. The sensitivity of defined benefit obligations is determined by the same methods as the projected unit credit method used in calculating net defined benefit liability and recognized in the separate statements of financial position.

11. BASIC FUND:

The Foundation presents contribution on establishment as basic fund.

12. DEFICITS:

(1) Changes in deficits for the year ended December 31, 2014, and for the period from October 28, 2013 (date of incorporation), to December 31, 2013, are as follows (Unit: Korean won in thousands):

	2014	2013
Beginning balance	₩ (53,447)	₩ -
Net loss for the period	(3,090,498)	(53,447)
Actuarial gains (losses) recognized in retained earnings	(51,491)	-
Ending balance	₩ (3,195,436)	₩ (53,447)

(2) Statement of disposition of deficit for the year ended December 31, 2014, and for the period from October 28, 2013 (date of incorporation), to December 31, 2013, is as follows (Unit: Korean won):

	2014	2013
Undisposed accumulated deficit		
Beginning of the period	₩ (53,446,781)	₩ -
Net loss for the period	(3,090,498,085)	(53,446,781)
Actuarial gains (losses)	(51,491,447)	-
End of the period	(3,195,436,313)	(53,446,781)
Disposal	-	-
Undisposed accumulated deficit to be carried forward to next year	₩ (3,195,436,313)	₩ (53,446,781)

13. DONATION REVENUES:

Donation revenues for the year ended December 31, 2014, and for the period from October 28, 2013 (date of incorporation), to December 31, 2013, are summarized as follows (Unit: Korean won in thousands):

	2014	2013
Fundraising income	₩ 450,340	₩ 165
Contribution from GP Entities	-	43,800
	₩ 450,340	₩ 43,965

14. OTHER REVENUES:

Other revenues for the year ended December 31, 2014, and for the period from October 28, 2013 (date of incorporation), to December 31, 2013, are summarized as follows (Unit: Korean won in thousands):

	2014	2013
Interest income	₩ 13,477	₩ 11
Gain on disposal of property and equipment	20	-
	₩ 13,497	₩ 11

15. OPERATING EXPENSES:

Operating expenses for the year ended December 31, 2014, and for the period from October 28, 2013 (date of incorporation), to December 31, 2013 are summarized as follows (Unit: Korean won in thousands):

	2014	2013
Staff costs – Payroll related	₩ 1,366,763	₩ 1,391
Staff costs – Non Payroll related	72,903	-
External services	898,976	-
Professional and consultancy	133,700	66,945
Travel, accommodation and meeting	143,782	-
Telecommunications	16,220	-
Information	9,912	-
Equipment purchase (Non-capitalized items)	67,697	-
and operating costs		-
Photo and video	23,542	-
Postage and courier	9,445	-
Publishing	96,423	5,000
Data management fees	10,839	-
Media	150,506	-
Tax, permits, fees	5,682	3,602
Bank and credit card charges	12,971	246
Overhead	312,448	19,643
	₩ 3,331,809	₩ 96,827

16. OTHER EXPENSES:

Other expenses for the year ended December 31, 2014, and for the period from October 28, 2013 (date of incorporation), to December 31, 2013 are summarized as follows (Unit: Korean won in thousands):

	2014	2013
Loss on disposal of property and equipment	₩ 434	₩ -
Interest expense	100,658	-
Foreign currency translation loss	121,435	595
	₩ 222,527	₩ 595

17. TAXATION:

No provision for income tax has been made for the Foundation as Foundation is not for business operation.

18. COMMITMENTS AND CONTINGENCIES:

(1) Acceptances and guarantees

As of December 31, 2014, the Foundation is provided with performance guarantees of ₩90 million from Seoul Guarantee Insurance.

(2) Lease

As of December 31, 2014, the Foundation had outstanding commitment under non-cancellable operating leases for use of land and buildings, which fall due as follows (Unit: Korean won in thousands):

		Amount
Within one year	₩	99,000
More than one year		-
Total	₩	99,000

19. STATEMENTS OF CASH FLOWS:

(1) Cash flows from operating activities

Details of cash flows from operating activities for the year ended December 31, 2014, and for the period from October 28, 2013 (date of incorporation), to December 31, 2013, are as follows (Unit: Korean won):

		2014		2013
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net loss for the period	₩	(3,090,498,085)	₩	(53,446,781)
Adjustments				
Depreciation of property, plant and equipment		69,566,949		152,106
Loss on disposal of property, plant and equipment		434,031		-
Gain on disposal of property, plant and equipment		(20,000)		-
Severance benefits		50,692,857		-
Interest expenses		100,658,040		241,136
Loss on translation of foreign currency		121,434,544		594,998
Interest income		(13,477,147)		(11,147)
		329,289,274		977,093
Change in working capital				
Increase in other receivables		(83,078,499)		(100,000,000)
Increase in other current assets		(7,787,705)		(316,800)
Increase in account payables		81,922,247		120,295,389
Increase in accrued expenses		161,583,062		241,136
Increase in withholdings		26,731,070		-
Benefits paid		(29,337,505)		-
Increase in defined benefit liability		36,207,433		-
		186,240,103		20,219,725
Total	₩	(2,574,968,708)	₩	(32,249,963)

20. RELATED-PARTY TRANSACTIONS:

(1) Related parties of the Foundation as of December 31, 2014, are as follows:

Description	Name of the company
Other related parties	GPEA HK office

(2) Transactions with the related parties for the year ended December 31, 2014, and for the period from October 28, 2013 (date of incorporation), to December 31, 2013, are as follows (Unit: Korean won in thousands):

		Contribution		Other Expenses	
	Name of the company	2014	2013	2014	2013
Other related parties	GPEA HK office	₩ -	₩ 43,800	₩ 100,658	₩ -

(3) Receivables from and payables to the related parties as of December 31, 2014, and 2013, are as follows (Unit: Korean won in thousands):

		December 31, 2014	
	Name of the company	Receivable	Payable
Other related parties	GPEA HK office	₩ -	₩ 3,439,791

		December 31, 2013	
	Name of the company	Receivable	Payable
Other related parties	GPEA HK office	₩ -	₩ 211,301

21. RISK MANAGEMENT:

(1) Credit risk

Credit risk is the risk that a party to a financial instrument will cause a financial loss for the Foundation by failing to discharge an obligation.

The Foundation’s cash and cash equivalents are placed with major financial institutions located in Korea with high credit quality and the credit risk is considered as insignificant. The board of directors is satisfied with the credit quality of financial assets.

Carrying amounts of financial assets as of December 31, 2014, which represented the amounts of maximum exposure to credit risk, are as follows(Unit: Korean won in thousands):

	2014
Cash and cash equivalents	₩ 266,584
Short-term financial instruments	500,000
Other receivables	189,953
Total	₩ 956,537

(2) Liquidity risk

Liquidity risk is the risk that the Foundation will encounter difficulty in meeting obligations associated with financial liabilities. The Foundation manages liquidity risks by monitoring its liquidity position through periodic preparation of cash flows and cash balances forecasts and periodic evaluation of the ability of Foundation to meet its financial obligations. Maturities of the non-derivative financial liabilities as of December 31, 2014, are as follows(Unit: Korean won in thousands):

		2014
Borrowings	₩	3,297,600
Accounts payable		202,218
Accrued expenses		161,824
Due for payment:		3,661,642
Within one year or on demand	₩	808,777

(3) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Foundation's income and operating cash flows are substantially independent of changes in market interest rates and the Foundation has no significant interest-bearing assets. The Foundation has not used any interest rate swaps to hedge its exposure to interest rate risk. As of December 31, 2014, loans from GPEA HK office bearing fixed-rate interests, it is not affected by market interest rates.

(4) Fair value estimate

All of the carrying amounts of the Foundation's financial assets and liabilities approximate their fair values due to the short-term maturity of these instruments.