



Accountants &  
business advisers

## **Greenpeace East Asia**

(Limited by guarantee)

Consolidated financial statements  
For the year ended 31 December 2015



**GREENPEACE EAST ASIA**  
**(LIMITED BY GUARANTEE)**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

**CONTENTS**

	<b>PAGES</b>
Report of the council of members	1
Business review	2 - 9
Independent auditor's report	10
Consolidated income and expenditure account	11
Consolidated statement of comprehensive income	12
Consolidated statement of financial position	13
Consolidated statement of changes in equity	14
Consolidated statement of cash flows	15
Notes to the consolidated financial statements	16 - 36

GREENPEACE EAST ASIA  
(LIMITED BY GUARANTEE)  
REPORT OF THE COUNCIL OF MEMBERS

The council of members presents its annual report together with the audited consolidated financial statements for the year ended 31 December 2015.

**PRINCIPAL ACTIVITIES**

The principal activities of the Company during the year were to promote, encourage, further establish, procure and achieve the protection of wildlife, the elimination of threats and damage to the environment and all other objectives of the Stichting Greenpeace Council and those of its subsidiaries are set out in note 16(a) to the consolidated financial statements.

**COUNCIL OF MEMBERS**

Members of the council of members during the year and up to the date of this report were :-

Pai Kundapur Santosh	
Lee Tae Dong	(appointed on 9 May 2015)
Yang Ailun	(appointed on 9 May 2015)
Xie Lei	
Chang Wei Hsiu	
Lee Seong-Hoon	(resigned on 1 January 2015)
Williamson Wai Ming, Romi	(retired on 25 September 2015)

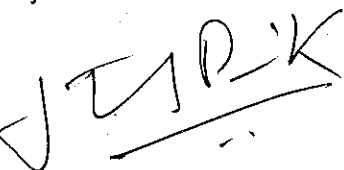
Ms. Williamson Wai Ming, Romi shall retire from office in accordance with article 46 of the Company's articles of association. In accordance with the Company's articles of association, the remaining council members shall continue in office in the ensuing year.

Mr. Pai Kundapur Santosh was elected as the Board Chair of the Company.

**AUDITOR**

A resolution to re-appoint the retiring auditor, Messrs. PKF, is to be proposed at the forthcoming annual general meeting.

By order of the council



Council member  
Pai Kundapur Santosh  
Hong Kong

22 MAY 2016

## **GREENPEACE EAST ASIA**

**(LIMITED BY GUARANTEE)**

### **BUSINESS REVIEW**

#### **OBJECTIVES**

Greenpeace is an independent, non-profit, global campaigning organisation that uses non-violent, creative confrontation to expose global environmental problems and their causes.

Greenpeace's goal is to ensure the ability of Earth to nurture life in all its diversity.

Greenpeace acts to change attitudes and behaviour, to protect and conserve the environment and to promote peace by :-

- Catalysing an energy revolution to address the number one threat facing our planet: climate change.
- Creating a toxic-free future with safer alternatives to hazardous chemicals in today's products and manufacturing.
- Protecting the world's ancient forests and the animals, plants and people that depend on them.
- Campaigning for sustainable agriculture by rejecting genetically engineered organisms, protecting biodiversity and encouraging socially responsible farming.
- Defending our oceans by challenging wasteful and destructive fishing, and creating a global network of marine reserves.
- Working for disarmament and peace by tackling the causes of conflict and calling for the elimination of all nuclear weapons and nuclear power.

Greenpeace is present in over 55 countries across Europe, the Americas, Asia, Africa and the Pacific. Greenpeace East Asia opened its Hong Kong office in 1997, Beijing in 2002, Taipei in 2010 and Seoul in 2011.

## GREENPEACE EAST ASIA

(LIMITED BY GUARANTEE)

### BUSINESS REVIEW

#### OUR WORK

Greenpeace is in East Asia to fight climate change, stop toxic pollution, ensure food security, end illegal deforestation, and defend the oceans.

Environmental problems know no borders. Greenpeace recognizes the importance of regional offices that work together to achieve effective solutions for a sustainable future.

Surging economic development in East Asia has brought widespread prosperity, but has also taken a severe environmental toll, both regionally and worldwide. Greenpeace is committed to ensuring a green development pathway together with the people of Mainland China, Hong Kong, Taiwan and South Korea.

#### Issue areas

- **Stop Climate Change.** From extreme weather events to glacial melting, climate change is already happening all around us. By replacing fossil fuels with clean, renewable energy, we can still save our planet before it's too late.
- **Reduce Air Pollution.** China's economy has skyrocketed, but at a price. Power plants, factories and heavy industries are all belching out black, dirty air, at the cost of our health and our environment.
- **Eliminate Toxics Chemicals.** China's role as the factory of the world has taken a severe toll on its water resources, and especially the people that rely on them.
- **Food & Agriculture.** We are working to protect agriculture and food safety from genetically engineered crops as well as chemical fertilisers and hazardous pesticides.
- **Protect Forests.** Our last ancient forests are being turned into tissue paper, packaging, chocolates and more, threatening biodiversity and worsening climate change.
- **Defending Our Oceans.** Our oceans are under threat on all fronts: overfishing, species extinction, waste dumping, acidification and climate change.
- **Our Actions.** Greenpeace believes in using creative, non-violent confrontation to communicate its messages and bring about solutions for a green and peaceful future.

## GREENPEACE EAST ASIA

(LIMITED BY GUARANTEE)

### BUSINESS REVIEW

#### FINANCIAL PERFORMANCE

##### Key Financial Performance

- Total fundraising income increased to HKD 121m, that is HKD 35m or 41% more than last year;
- Contribution from Greenpeace International, amounting HKD 71m, increased by HKD 11m or 18% compared to last year;
- Overall programme expenditure was HKD 105m, representing an increase of 46% over the year prior;
- Organisational support costs were HKD 27.9m, which represent 17% of total expenditure; and
- Fundraising investment was HKD 49m, a 27% of our total costs.

Thanks to the strong engagement from our supporters in our campaigns for protecting the environment, Greenpeace East Asia managed to increase its income across the region and hence further reinforce its efforts towards a green and peaceful Earth.

##### Our donors - the very reason of our existence

To maintain its independence, Greenpeace does not accept donations from governments or corporations but relies on contributions from individual supporters and foundation grants. We believe that the struggle to preserve the future of our planet is not about Greenpeace alone. It's about each and every of our supporters. Greenpeace speaks for nearly 3 million supporters worldwide, and encourages many millions more than that to take action every day.

2015 saw Fundraising income grow significantly, with a total income of HKD 121m being achieved across Hong Kong, Taiwan and South Korea. This was a growth of HKD 35m, or 41% on 2014 performance. Hong Kong remained the largest, with an income of HKD 54.6m (a growth of 8.13% on 2014), with Taiwan continuing its rapid development to deliver an income of nearly HKD 48.1m (a growth of 51% on 2014), and South Korea in its first full calendar year of fundraising delivering an income of almost HKD 18m (a growth of 462% on 2014).

This income was achieved thanks to the generous support of our existing donors to continue their donations, and to increase their level of support where possible. In addition, a further 42,000 new donors were inspired to join the Organisation across the region (18,206 in Taiwan, 16,657 in Korea and 7,095 in Hong Kong) meaning the number of active donors grew to 103,379 by the end of the year, an increase of over 30% during 2015.

## GREENPEACE EAST ASIA

(LIMITED BY GUARANTEE)

### BUSINESS REVIEW

#### FINANCIAL PERFORMANCE (CONT'D)

##### Investment in Programme

Despite coal consumption in China has been dropping for almost two years, partly due to efforts to tackle air pollution and partly due to economic rebalancing, it is still not at a rate quick enough to solve the problems around air pollution. Hence we continue to run a strong coal campaign in China to lower its coal consumption before it is too late for the climate and for major public health damages. After release of various city air quality surveys, a global coal & water report and other studies we commissioned, Beijing finally triggered the "red alert" due to severe air pollution. This is what we have been calling for, and such dramatic event is an opportunity to consolidate the will and the necessary urgent action to tackle air pollution.

On the other hand, we have been highlighting the problem of the "coal bubble" and calling on the government to curb the expansion of coal fire plants. Since then, the issue got more media attention as we continued to expose many coal chemical projects have started building without going through necessary procedures.

The energy campaign in Korea has taken off well last year. Our campaign on nuclear has managed to delay the approval process for the operation of a new nuclear reactor. We provided critical support to local NGOs in successfully opposing life-extension for an old nuclear reactor. We also launched the coal and renewable campaigns in Korea and both were successful. The launch of coal campaign was highly visible in media and social media, while the renewable energy campaign has managed to get Naver, Korea's largest internet company, to commit to 100% renewable energy.

The oceans campaign in Taiwan has a major progress this year. Following our expose of illegal fishing in the Pacific, the government decided to take investigation after tremendous public and media pressure. This was followed by a "yellow card" from the EU, which will require Taiwan to make reforms to its fishing sector and regulation. Additionally, during the first quarter of the year we ran a project on sushi, which secured commitment for sustainable seafood from key restaurants.

In Hong Kong, we took an active role in the global campaign to protect the Great Barrier Reef by putting pressure on Standard Chartered to withdraw from the coal export project in Australia. Also in Hong Kong, we ran investigative work to encourage the government to crack on the illegal trade of dried totoaba bladders and pushed this to be included in a joint agreement between US and China in order to ultimately protect the vaquita (the world's smallest and most endangered porpoise) from extinction.

As to our work on sustainable agriculture; in Mainland China, we continue to campaign for reduction in the use of pesticide and fertilizer, and to keep genetically engineered rice away from commercialization. We have tested vegetables products in Beijing, Shanghai and Guangzhou to persuade the city governments to reduce pesticide use in their supply chain, with good progress made in Beijing and Guangzhou.

## **GREENPEACE EAST ASIA**

**(LIMITED BY GUARANTEE)**

### **BUSINESS REVIEW**

#### **FINANCIAL PERFORMANCE (CONT'D)**

##### **Investment in Programme (cont'd)**

In order to contribute more to stop deforestation in Indonesia, Amazon or Congo We are actively participating in the Congo forest project, and have released an investigative report of Chinese involvement in illegal timber trade in the Congo forests.

Finally, with regards to our work around the toxics issue; in China we did a major rapid response project after the Tianjin explosion, and our work has successfully highlighted the chemical hazards in other parts of China and the need to regulations on chemicals in order to avoid future tragic events. In Taiwan we participated in a NGO coalition to pressure the government to strengthen its chemical regulation. In Korea we have decided to add toxics campaign in our overall program in the country and hence in all four offices in East Asia, we have been actively participating in the global outdoor clothing project (a larger campaign to ultimately discard health and environment-threatening materials such as the PFCs), by running lab testing and co-creating the campaign with local outdoor communities.

All of the above was made possible by an overall programme expenditure for HKD 104.8m, which represents an increase of 46% over the year prior.

##### **Reserves and surplus funds**

To ensure financial solvency and liquidity, as well as to provide insurance against unanticipated variations in income, Greenpeace's offices follow a global policy that encourages efforts to keep general reserves equivalent to the amount of three months of average expenditure budgeted for the corresponding year.

The surplus of HKD 5.9m achieved in 2015, increased our general reserves to HKD 25.5m, allowing Greenpeace East Asia to get closer to this ideal 3-month standard, by increasing to a value equivalent to 1.8 months compared to the 1.6 months that were held as of the end of 2014.

##### **Accountability measures**

From June 2006, Greenpeace has come together with a group of International Non-Governmental Organisations to launch and endorse the first global Accountability Charter for the non-profit sector. The INGO Accountability Charter sets out core values and operating principles, which then translate into reporting and monitoring mechanisms that all signatory organisations must comply with.

Additionally, our Greenpeace Financial and Management Standards mandate best practices, such as carrying out external audits of our accounts at the end of each fiscal year and publishing our annual reports in our website.



## GREENPEACE EAST ASIA

(LIMITED BY GUARANTEE)

### BUSINESS REVIEW

#### FINANCIAL PERFORMANCE (CONT'D)

##### Internal controls

On top of the policies and standards mentioned above, Greenpeace has an internal audit function that verifies the existence and efficiency of the management controls implemented. Also, from 2015, an internal Compliance function was created in Greenpeace East Asia. This new position is in charge of ensuring compliance with local and regional policies, as well with other governance and monitoring instances in the jurisdictions we operate in.

##### Green policy

##### Global Environmental Management

On a global level, Greenpeace International has set up a multitude of environmental management initiatives which are adopted by all national and regional offices in due time, including Greenpeace East Asia. These include:-

- An elaborate environmental policy for each region;
- Appointing an environmental program and policy manager;
- Setting greenhouse gas reduction targets;
- Emissions monitoring and reporting;
- Sustainable procurement policy;
- Sustainable office plan to reduce energy use;
- Waste Management in order to reduce waste production;
- Sustainable Travel;
- Sustainable Food.

Greenpeace East Asia has its own green initiatives but is also constantly developing and implementing new environmentally friendly initiatives to meet the global standard of environmental management. GPEA is strongly committed to continuously searching for reduction possibilities.

Here are some examples of the GPEA environmental management initiatives.

##### 100% Renewable Electricity Purchasing Policy

Under this policy, GPEA commits to source all its electricity needs from renewable energy sources, where it is available in the market. This applies to direct electricity purchases for offices and in house IT services and wherever possible all ICT outsourced hosting services provided by companies.

GREENPEACE EAST ASIA  
(LIMITED BY GUARANTEE)  
BUSINESS REVIEW

**FINANCIAL PERFORMANCE (CONT'D)**

**Green policy (cont'd)**

Global textile procurement policy

The objective of this policy is to ensure that all cotton based textile products made for use by Greenpeace have minimal environmental impact and are procured in line with the organisation's core values. The textiles include those made for campaign and mobilisation purposes; those made for activists taking part in activities; and work clothes made for the crew and volunteers onboard the Greenpeace ships.

Emissions Reporting

GPEA is monitoring of CO2 emissions and compiles the annual CO2 emissions report. This report is used to compare the levels of emissions with previous years for monitoring and evaluation purposes. Based on the outcome, suggestions are made on how to minimize our emissions as much as we practically can in order to reduce our global environmental footprint.

Travel policy

The GPEA travel policy states that every journey should be essential and arranged as environmentally friendly as possible. Staff should use public transport where possible and practical. Taxis and private cars should in general only be used where there would be significant savings in time and money, or when carrying excessive amounts of luggage that would be cumbersome to take on public transport. For travel within Europe, transport by train is the preferred option.

# GREENPEACE EAST ASIA

(LIMITED BY GUARANTEE)

## BUSINESS REVIEW

### FINANCIAL PERFORMANCE (CONT'D)

#### Green policy (cont'd)

##### Greenhouse gas (GHG) emissions

The historic and current status of Greenpeace East Asia's GHG emissions depicted in this table is based on current Defra emission factors; this includes applying the Defra factors retrospectively to previous years data. Using the same factor for historic years makes comparison easier.

As Greenpeace is increasing its activities and headcounts from 318 in 2014 to 409 in 2015, the overall emission has increased accordingly, however, the emission per head in general has slightly decreased. As Greenpeace East Asia has been actively campaigning globally and has taken up more global project responsibilities, the emission due to medium and long business travel has increased. Renewable energy is available in Taiwan market since late 2014, our office electricity purchased became 100% renewable since then, which lead to a decrease of emission due to electricity used in scope 2.

tCO2e		Occurrence Date	
Scope	Emissions	FY 2015	FY 2014
Scope 2	Grid Electricity	107.2	111.15
Scope 3	Business Flights - Long Haul ( 3,700 km and over)	520.34	373.75
	Business Flights - Medium Haul (464 to 3,699 km)	494.63	427
	Business Flights - Short Haul ( 0 to 463 km)	6.4	7.48
	Car Hire - Kilometres of travel Petrol Car	6.77	5.02
	Car Hire - LPG consumption	17.78	19.61
	External Printing - 100% Recycled Paper use	65.36	38.54
	Grid Electricity - Related Activities	24.11	24.42
	Office Paper Use - Recycled Paper with recycling	1.66	2.35
	Other travel	46.27	40.5
	Subtotal	1,183.32	938.67
Grand Total		1,290.52	1,049.82



Accountants &  
business advisers

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF MEMBERS OF  
GREENPEACE EAST ASIA  
(Incorporated in Hong Kong and limited by guarantee)

We have audited the consolidated financial statements of Greenpeace East Asia (the "Company") and its subsidiaries (collectively known as the "Group") set out on pages 11 to 36, which comprise the consolidated statements of financial position as at 31 December 2015, the consolidated income and expenditure account, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

**DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS**

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

**AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view 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 the directors, as well as evaluating the overall presentation of the consolidated 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 consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2015 and of the Group's financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

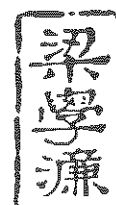
PKF  
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Hong Kong

22 MAY 2016

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GREENPEACE EAST ASIA  
(LIMITED BY GUARANTEE)  
CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 HK\$	2014 HK\$
<b>INCOME</b>			
Fund raising income			
Existing donor contribution income		88,708,789	61,283,515
New donor contribution income		29,712,841	21,794,764
Foundations & trusts, major gift income		2,707,968	2,594,645
Contributions from Stichting Greenpeace Council		68,736,009	58,050,503
Interest income		232,632	308,659
Sundry income		425,695	40,909
		<u>190,523,934</u>	<u>144,072,995</u>
	5		
<b>LESS :</b>			
<b>EXPENDITURE</b>			
Fund raising expenses			
New supporter outreach		34,060,585	34,292,394
Supporter information & mobilization		3,382,412	4,171,320
Support care & development		4,042,003	3,780,676
Supporter database, licenses & management		1,605,393	284,866
FR staff & coordination		6,084,870	5,649,877
Contributions to Stichting Greenpeace Council		2,619,408	505,251
Campaign expenses			
Ocean		12,904,459	8,819,591
Climate		23,588,303	16,160,203
Toxic		17,067,633	6,398,614
Forest		3,638,094	3,192,922
GMO		7,422,942	4,869,288
Polar		-	91,218
Other issues		991,285	2,513,144
Campaign support expenses			
Media and communications		20,983,466	16,700,106
Marine operations and action support		6,073,922	4,809,578
Political, science and business		8,721,172	6,806,658
Public information and outreach		3,492,313	1,389,586
Organisational support expenses		27,931,321	23,838,016
		<u>184,609,581</u>	<u>144,273,308</u>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>	6	<u><u>5,914,353</u></u>	<u><u>(200,313)</u></u>

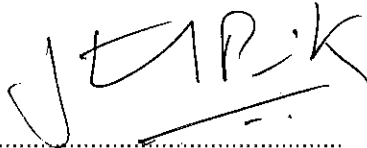
GREENPEACE EAST ASIA  
(LIMITED BY GUARANTEE)  
CONSOLIDATED INCOME AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2015

	<i>Note</i>	<b>2015 HK\$</b>	<b>2014 HK\$</b>
Surplus/(deficit) for the year		<u><b>5,914,353</b></u>	<u><b>(200,313)</b></u>
Other comprehensive income/(loss) :-			
Item that may be reclassified subsequently to income and expenditure account :-			
Exchange difference arising from translation of financial statements of overseas subsidiaries		<b>1,173,912</b>	619,536
Item that will not be reclassified to income and expenditure account :-			
Remeasurement of net defined benefit liability	12(b)	<u><b>(839,283)</b></u>	<u><b>(357,351)</b></u>
Other comprehensive income for the year, net of tax		<u><b>334,629</b></u>	<u><b>262,185</b></u>
Total comprehensive income for the year		<u><u><b>6,248,982</b></u></u>	<u><u><b>61,872</b></u></u>

GREENPEACE EAST ASIA  
(LIMITED BY GUARANTEE)  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2015

	Note	2015 HK\$	2014 HK\$
<b>NON-CURRENT ASSET</b>			
Property, plant and equipment	9	<u>5,828,697</u>	<u>4,313,889</u>
<b>CURRENT ASSETS</b>			
Amount due from Stichting Greenpeace Council	10	2,639,550	-
Deposits, advances and other receivables		10,295,088	8,524,440
Fixed deposits		5,313,735	8,309,934
Cash and bank balances		<u>33,471,728</u>	<u>20,285,597</u>
		<u>51,720,101</u>	<u>37,119,971</u>
<b>LESS :</b>			
<b>CURRENT LIABILITIES</b>			
Amount due to Stichting Greenpeace Council	10	-	271,233
Amounts due to other National Offices	10	275,741	308,075
Loans from Stichting Greenpeace Council	11	-	1,211,790
Accounts payable and receipt in advance		<u>16,547,317</u>	<u>11,602,505</u>
		<u>16,823,058</u>	<u>13,393,603</u>
<b>NET CURRENT ASSETS</b>		<u>34,897,043</u>	<u>23,726,368</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>40,725,740</u>	<u>28,040,257</u>
<b>LESS :</b>			
<b>NON-CURRENT LIABILITIES</b>			
Loans from Stichting Greenpeace Council	11	13,795,714	7,953,437
Net defined benefit liability	12(a)	<u>1,364,147</u>	<u>769,923</u>
		<u>15,159,861</u>	<u>8,723,360</u>
<b>NET ASSETS</b>		<u>25,565,879</u>	<u>19,316,897</u>
<b>REPRESENTING :-</b>			
<b>EXCHANGE RESERVE</b>		1,217,549	43,637
<b>ACCUMULATED SURPLUS</b>		<u>24,348,330</u>	<u>19,273,260</u>
<b>TOTAL EQUITY</b>		<u>25,565,879</u>	<u>19,316,897</u>

APPROVED AND AUTHORISED FOR ISSUE BY  
THE COUNCIL OF MEMBERS ON 22 MAY 2016

  
PAI KUNDAPUR SANTOSH  
COUNCIL MEMBER

  
CHANG WEI HSIU  
COUNCIL MEMBER

GREENPEACE EAST ASIA  
(LIMITED BY GUARANTEE)  
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2015

	<i>Exchange reserve HK\$</i>	<i>Accumulated surplus HK\$</i>	<i>Total HK\$</i>
At 1.1.2014	(575,899)	19,830,924	19,255,025
Total comprehensive income/(loss) for the year	<u>619,536</u>	<u>(557,664)</u>	<u>61,872</u>
At 31.12.2014 and 1.1.2015	43,637	19,273,260	19,316,897
Total comprehensive income for the year	<u>1,173,912</u>	<u>5,075,070</u>	<u>6,248,982</u>
<b>At 31.12.2015</b>	<b><u>1,217,549</u></b>	<b><u>24,348,330</u></b>	<b><u>25,565,879</u></b>



GREENPEACE EAST ASIA  
(LIMITED BY GUARANTEE)  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 HK\$	2014 HK\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Surplus/(deficit) for the year	5,914,353	(200,313)
Adjustments for :-		
Loss on disposal of property, plant and equipment	87,566	3,113
Depreciation	4,002,373	3,246,206
Interest income	(232,632)	(308,659)
Interest expenses	71,669	94,745
Operating surplus before working capital changes	9,843,329	2,835,092
Increase in amount due from Stichting Greenpeace Council	(2,639,550)	-
Increase in deposits, advances and other receivables	(1,770,648)	(4,561,704)
Decrease in amount due to Stichting Greenpeace Council	(271,233)	(631,569)
Decrease in amounts due to other National Offices	(32,334)	(806,814)
Increase in accounts payable and receipt in advance	4,944,812	1,796,834
(Decrease)/increase in net defined benefit liability	(245,059)	412,572
Cash generated from/(used in) operations	9,829,317	(955,589)
Interest received	232,632	308,659
<b>NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES</b>	<b>10,061,949</b>	<b>(646,930)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property, plant and equipment	(5,750,427)	(3,668,248)
Proceeds from disposal of property, plant and equipment	102,988	729,910
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(5,647,439)</b>	<b>(2,938,338)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Loans from Stichting Greenpeace Council	4,630,487	3,678,880
Interest paid	(71,669)	(94,745)
<b>NET CASH GENERATED FROM FINANCING ACTIVITIES</b>	<b>4,558,818</b>	<b>3,584,135</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>8,973,328</b>	<b>(1,133)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>28,595,531</b>	<b>27,898,888</b>
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>	<b>1,216,604</b>	<b>697,776</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>38,785,463</b>	<b>28,595,531</b>
<b>ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Fixed deposits with original maturity of three months	5,313,735	8,309,934
Cash and bank balances	33,471,728	20,285,597
	<b>38,785,463</b>	<b>28,595,531</b>

**GREENPEACE EAST ASIA**  
**(LIMITED BY GUARANTEE)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

**1. GENERAL INFORMATION**

Greenpeace East Asia (the "Company") is a non-profit making company incorporated in Hong Kong. The address of its registered office is 8/F., Pacific Plaza, 410-418 Des Voeux Road West, Hong Kong.

The Company and its subsidiaries (collectively known as the "Group") are principally engaged in promoting, encouraging, further establishing, procuring and achieving the protection of wildlife, the elimination of threats and damage to the environment and all other objectives of the Stichting Greenpeace Council.

**2. BASIS OF PREPARATION**

**(a) Compliance with Hong Kong Financial Reporting Standards**

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"), Hong Kong Accounting Standards ("HKAS") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (hereinafter collectively referred to as "Hong Kong Financial Reporting Standards").

**(b) Initial application of Hong Kong Financial Reporting Standards**

In the current year, the Group initially applied the following Hong Kong Financial Reporting Standards :-

Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions
Annual improvements	Amendments to HKFRS 8, HKAS 16, HKAS 24
to HKFRSs (2010 - 2012)	and HKAS 38
Annual improvements	Amendments to HKFRS 3, HKFRS 13 and HKAS 40
to HKFRSs (2011 - 2013)	

The initial application of these financial reporting standards does not necessitate material changes in the Group's accounting policies and retrospective adjustments of the comparatives presented in the consolidated financial statements.

GREENPEACE EAST ASIA

(LIMITED BY GUARANTEE)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

2. BASIS OF PREPARATION (CONT'D)

(c) Hong Kong Financial Reporting Standards in issue but not yet effective

The following Hong Kong Financial Reporting Standards in issue at 31 December 2015 have not been applied in the preparation of the Group's consolidated financial statements for the year then ended since they were not yet effective for the annual period beginning on 1 January 2015 :-

HKFRS 9 (2014)	Financial Instruments
HKFRS 14	Regulatory Deferral Accounts
HKFRS 15	Revenue from Contracts with Customers
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 16 and HKAS 41	Bearer Plants
Amendments to HKAS 27	Equity Method in Separate Financial Statements
Amendments to HKAS 28 and HKFRS 10	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to HKAS 28, HKFRS 10 and HKFRS 12	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Annual Improvements to HKFRSs (2012-2014)	Amendments to HKFRS 5, HKFRS 7 and HKAS 19

The Group is required to initially apply these standards and amendments in its annual consolidated financial statements beginning on 1 January 2016, except that the Group is required to initially apply HKFRS 15 and HKFRS 9 (2014) in its annual consolidated financial statements beginning on 1 January 2018 and amendments to HKAS 28 and HKFRS 10 have no mandatory effective date. HKFRS 14 is not applicable to the Group.

**GREENPEACE EAST ASIA**  
**(LIMITED BY GUARANTEE)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

**3. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Measurement basis**

The consolidated financial statements are prepared under the historical cost basis.

**(b) Basis of consolidation**

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2015. The results of subsidiaries acquired or disposed of during the year are dealt with in the consolidated income and expenditure account from the dates of acquisition or to the dates of disposal respectively. All significant intra-group transactions and balances have been eliminated on consolidation.

**(c) Revenue recognition**

Fund raising income is recognised when received.

The recognition and measurement of contributions/grants is determined by the performance conditions. When no performance obligation is included, the contributions/grants are recognised as income when proceeds are receivable. However, when future performance conditions are included, the contributions/grants are only recognised as income when the performance conditions are met.

Interest income is recognised on a time proportion basis using effective interest rate.

**(d) Property, plant and equipment**

Property, plant and equipment are stated at cost less aggregate depreciation and impairment losses.

The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its present working condition and location for its intended use.

Repairs and maintenance costs are charged to income and expenditure account in the period in which it is incurred.

GREENPEACE EAST ASIA  
(LIMITED BY GUARANTEE)  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015

**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(d) Property, plant and equipment (cont'd)**

Depreciation is calculated to write off the cost of plant and equipment to their estimated residual values over their estimated useful lives on a straight-line basis at the following annual rates :-

Leasehold improvements	33 ⅓ %
Computer equipment	33 ⅓ %
Office equipment	25%
Actions equipment	33 ⅓ %
Furniture and fixture	20 %

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The gain or loss arising from the disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in income and expenditure account.

**(e) Impairment of assets**

At the end of each reporting period, the Group determines whether there is any indication of impairment of assets. If there is any indication of impairment, the recoverable amount of the relevant asset or group of assets is estimated and compared with the carrying amount.

If the recoverable amount of an asset or a group of assets is less than its carrying amount, the carrying amount of the asset or group of assets is reduced to the recoverable amount. Impairment losses are recognised as an expense in income and expenditure account.

**(f) Investments in subsidiaries**

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

Investment in subsidiaries is stated in the Company's statement of financial position at cost less any identified impairment loss. Income from subsidiaries is recognised in the Company's financial statements when the shareholder's right to receive payment is established.

**GREENPEACE EAST ASIA**  
**(LIMITED BY GUARANTEE)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(g) Leases**

Rentals payable under operating leases are charged to income and expenditure account on a straight-line basis over the terms of the relevant leases.

**(h) Employee benefits**

Salaries and annual leave entitlements are accrued in the year in which the associated services are rendered by employees of the Group.

Obligations for contributions to defined contribution retirement plans are recognised as an expense in income and expenditure account as incurred.

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 recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to income and expenditure account. Past service cost is recognised in income and expenditure account 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 Group presents the service cost and net interest expense (income) components in income and expenditure account, and the remeasurement component in other comprehensive income. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the consolidated statement of financial position represents the actual deficit or surplus in the Group'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.

GREENPEACE EAST ASIA  
(LIMITED BY GUARANTEE)  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015

**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(i) Foreign currency translation**

**(i) Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The financial statements are presented in Hong Kong dollar, which is the Company's functional and presentation currency.

**(ii) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in income and expenditure account.

**(iii) Group companies**

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows :-

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of the reporting period;
- income and expenses for each income and expenditure account are translated at average exchange rates; and
- all resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

**(j) Provisions and contingent liabilities**

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

GREENPEACE EAST ASIA  
(LIMITED BY GUARANTEE)  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015

**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(k) Related parties**

A person or a close member of that person's family is related to the Group if that person (i) has control or joint control over the Group; (ii) has significant influence over the Group; or (iii) is a member of the key management personnel of the Group or of a parent of the Group.

An entity is related to the Group if (i) the entity and the Group are members of the same group of companies, (ii) the entity is an associate or a joint venture of either the Group or a member of a group of which the Group is a member, (iii) the Group is an associate or a joint venture of either the entity or a member of a group of which the entity is a member, (iv) the entity and the Group are joint ventures of the same third party, (v) the entity is a joint venture of a third entity and the Group is an associate of that third entity, (vi) the Group is a joint venture of a third entity and the entity is an associate of that third entity, (vii) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group, (viii) the entity is controlled or jointly controlled by a person related to the Group or a close member of that person's family, (ix) a person who has control or joint control over the Group has significant influence over the entity, or (x) a person who has control or joint control over the Group is a member of the key management personnel of the entity (or of a parent of the entity).

**(l) Receivables**

Receivables are recognised at cost which approximates to their fair values, less provision for impairment. A provision for impairment of accounts receivable is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivable. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flow, discounted at the effective interest rate. The amount of provision is recognised in income and expenditure account.

**(m) Payables**

Payables are stated at amortised cost using the effective interest method.

**(n) Cash equivalents**

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.



GREENPEACE EAST ASIA  
(LIMITED BY GUARANTEE)  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015

**4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

**(a) Key sources of estimation uncertainty**

In the application of the Group's accounting policies, which are described in Note 3, 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 those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised 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.

**(i) Defined benefit plan**

The Group's defined benefit obligation is determined based on the actuarial valuation carried out at the end of each reporting period. Actuarial assumptions are the Group's best estimates of the variables in determining the cost of providing post-retirement benefits such as discount rates, rates of expected future salary increase 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.

**(b) Significant judgements**

In the process of applying the Group's accounting policies, judgements that can significantly affect the amounts recognised in the consolidated financial statements are made in determining :-

- (i) whether there is an indication of impairment of assets;
- (ii) whether the discount rates used to calculate the recoverable amount of assets are appropriate for the purpose of impairment review; and
- (iii) the expected manner of recovery of the carrying amount of assets.

**GREENPEACE EAST ASIA**  
**(LIMITED BY GUARANTEE)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

**5. REVENUE AND OTHER REVENUE**

The principal activities of the Group are to promote, encourage, further establish, procure and achieve the protection of wildlife, the elimination of threats and damage to the environment and all other objectives of the Stichting Greenpeace Council. Revenue represents fund raised during the year. An analysis of the Group's revenue and other revenue is set out below :-

	<b>2015</b> <b>HK\$</b>	<b>2014</b> <b>HK\$</b>
Revenue		
Fund raising income		
Existing donor contribution income	88,708,789	61,283,515
New donor contribution income	29,712,841	21,794,764
Foundations & trusts, major gift income	<u>2,707,968</u>	<u>2,594,645</u>
	<u>121,129,598</u>	<u>85,672,924</u>
Other revenue		
Contributions from Stichting Greenpeace Council	68,736,009	58,050,503
Interest income	232,632	308,659
Sundry income	<u>425,695</u>	<u>40,909</u>
	<u>69,394,336</u>	<u>58,400,071</u>
Total revenue	<u><u>190,523,934</u></u>	<u><u>144,072,995</u></u>

**6. SURPLUS/(DEFICIT) FOR THE YEAR**

Surplus/(deficit) for the year is arrived at after charging :-

	<b>2015</b> <b>HK\$</b>	<b>2014</b> <b>HK\$</b>
Staff costs		
- Salaries and allowances	81,887,869	71,914,498
- Contributions to provident fund	<u>3,516,181</u>	<u>2,948,499</u>
	85,404,050	74,862,997
Auditor's remuneration	169,026	168,485
Depreciation	4,002,373	3,246,206
Interest expenses	71,669	94,745
Minimum lease payments paid under operating leases	7,078,664	5,964,575
Loss on disposal of property, plant and equipment		
- Proceeds from disposals of property, plant and equipment	102,988	729,910
- Carrying amount of property, plant and equipment	<u>(190,554)</u>	<u>(733,023)</u>
	<u><u>87,566</u></u>	<u><u>3,113</u></u>

GREENPEACE EAST ASIA

(LIMITED BY GUARANTEE)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

**7. SENIOR MANAGEMENT TEAM PERSONNEL REMUNERATION**

The senior management team consists of the Executive Director, Program Director, Fundraising & Engagement Director and Organisational Support & Regional Development Director. The senior management team covers the management of 398 staff in the regional offices of the Company in Hong Kong, Beijing, Taipei and Seoul. Details of emoluments paid by the Group to the council members during the year are as follows :-

	<b>2015</b> <b>HK\$</b>	<b>2014</b> <b>HK\$</b>
Salaries and allowances	<b>3,818,858</b>	3,920,359
Retirement scheme contributions	<b>253,179</b>	315,503
	<b><u>4,072,037</u></b>	<b><u>4,235,862</u></b>

**8. TAXATION**

No provision for Hong Kong profits tax has been made in these consolidated financial statements as the Company is exempt from tax under Section 88 of the Inland Revenue Ordinance.

No provision for income tax has been made for the subsidiaries as they sustained a loss for tax purposes during the year.

**GREENPEACE EAST ASIA**  
**(LIMITED BY GUARANTEE)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

**9. PROPERTY, PLANT AND EQUIPMENT**

	<i>Leasehold improvements HK\$</i>	<i>Computer equipment HK\$</i>	<i>Office equipment HK\$</i>	<i>Actions equipment HK\$</i>	<i>Furniture and fixture HK\$</i>	<i>Total HK\$</i>
<b>Cost :-</b>						
At 1.1.2014	2,860,923	3,367,172	986,758	3,386,629	1,065,664	11,667,146
Additions	925,745	1,661,276	468,121	548,785	64,321	3,668,248
Disposals	-	(169,155)	(70,055)	(36,929)	(573,554)	(849,693)
Write-off	(408,276)	(43,512)	-	-	-	(451,788)
Exchange adjustments	(21,024)	(34,789)	(17,311)	(24,212)	(29,118)	(126,454)
At 31.12.2014	<u>3,357,368</u>	<u>4,780,992</u>	<u>1,367,513</u>	<u>3,874,273</u>	<u>527,313</u>	<u>13,907,459</u>
<b>Aggregate depreciation :-</b>						
At 1.1.2014	2,138,714	2,411,304	402,060	1,806,256	205,702	6,964,036
Charge for the year	888,007	965,734	312,732	900,755	178,978	3,246,206
Written back on disposals	-	(14,644)	(11,823)	(7,317)	(82,886)	(116,670)
Write-off	(408,276)	(43,512)	-	-	-	(451,788)
Exchange adjustments	(9,761)	(9,419)	(8,294)	(6,313)	(14,427)	(48,214)
At 31.12.2014	<u>2,608,684</u>	<u>3,309,463</u>	<u>694,675</u>	<u>2,693,381</u>	<u>287,367</u>	<u>9,593,570</u>
<b>Net book value :-</b>						
At 31.12.2014	<u>748,684</u>	<u>1,471,529</u>	<u>672,838</u>	<u>1,180,892</u>	<u>239,946</u>	<u>4,313,889</u>
<b>Cost :-</b>						
At 1.1.2015	3,357,368	4,780,992	1,367,513	3,874,273	527,313	13,907,459
Additions	3,328,803	1,077,025	573,441	669,109	102,049	5,750,427
Disposals	(1,396,587)	(259,298)	(82,029)	-	-	(1,737,914)
Exchange adjustments	(9,686)	(19,153)	(13,429)	(11,615)	(19,615)	(73,498)
At 31.12.2015	<u>5,279,898</u>	<u>5,579,566</u>	<u>1,845,496</u>	<u>4,531,767</u>	<u>609,747</u>	<u>17,846,474</u>
<b>Aggregate depreciation :-</b>						
At 1.1.2015	2,608,684	3,309,463	694,675	2,693,381	287,367	9,593,570
Charge for the year	1,435,112	1,096,840	381,199	893,395	195,827	4,002,373
Written back on disposals	(1,255,425)	(252,324)	(39,611)	-	-	(1,547,360)
Exchange adjustments	(4,259)	(6,015)	(3,045)	(5,468)	(12,019)	(30,806)
At 31.12.2015	<u>2,784,112</u>	<u>4,147,964</u>	<u>1,033,218</u>	<u>3,581,308</u>	<u>471,175</u>	<u>12,017,777</u>
<b>Net book value :-</b>						
At 31.12.2015	<u>2,495,786</u>	<u>1,431,602</u>	<u>812,278</u>	<u>950,459</u>	<u>138,572</u>	<u>5,828,697</u>

GREENPEACE EAST ASIA  
(LIMITED BY GUARANTEE)  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015

**10. AMOUNTS DUE FROM/(TO) STICHTING GREENPEACE COUNCIL AND OTHER NATIONAL OFFICES**

The amounts due are unsecured, interest-free and have no fixed terms of repayment.

**11. LOANS FROM STICHTING GREENPEACE COUNCIL**

The amounts due are interest bearing at a range from 0.75% to 1.5% per annum, unsecured and repayable as follows :-

	<b>2015</b> <b>HK\$</b>	<b>2014</b> <b>HK\$</b>
Within one year	-	1,211,790
Between two to five years	<b>4,898,592</b>	3,173,168
Over five years	<b>8,897,122</b>	4,780,269
	<b><u>13,795,714</u></b>	<b><u>9,165,227</u></b>

**12. NET DEFINED BENEFIT LIABILITY**

(a) As at 31 December 2015 amounts recognised in the consolidated statements of financial position in relation to retirement benefit obligation are as follows :-

	<b>2015</b> <b>HK\$</b>	<b>2014</b> <b>HK\$</b>
Present value of defined benefit obligation	<b>1,364,147</b>	769,923
Fair value of plan assets	-	-
Retirement benefit obligation (net)	<b><u>1,364,147</u></b>	<b><u>769,923</u></b>

GREENPEACE EAST ASIA  
(LIMITED BY GUARANTEE)  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015

**12. NET DEFINED BENEFIT LIABILITY (CONT'D)**

- (b) Changes in the present value of defined benefit obligation for the years ended 31 December 2015 and 2014 are as follows :-

	<b>31 December 2015</b>		
	<b><i>Present value of defined benefit obligation HK\$</i></b>	<b><i>Fair value of plan assets HK\$</i></b>	<b><i>Total HK\$</i></b>
Beginning balance	<u>769,923</u>	<u>-</u>	<u>769,923</u>
Defined benefit costs recognised in profit or loss			
Current service cost	555,055	-	555,055
Interest expense (income)	<u>14,382</u>	<u>-</u>	<u>14,382</u>
Subtotal	569,437	-	569,437
Defined benefit cost recognised in other comprehensive income			
Actuarial loss from demographic assumptions	8,542	-	8,542
Actuarial loss from financial assumptions	178,285	-	178,285
Actuarial loss from experience adjustment	<u>652,456</u>	<u>-</u>	<u>652,456</u>
Subtotal	<u>839,283</u>	<u>-</u>	<u>839,283</u>
Contribution			
Benefits paid	<u>(753,928)</u>	<u>-</u>	<u>(753,928)</u>
Other decrease	<u>(60,568)</u>	<u>-</u>	<u>(60,568)</u>
Ending balance	<u><u>1,364,147</u></u>	<u><u>-</u></u>	<u><u>1,364,147</u></u>

GREENPEACE EAST ASIA  
(LIMITED BY GUARANTEE)  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015

**12. NET DEFINED BENEFIT LIABILITY (CONT'D)**

(b) (cont'd)

	<u>31 December 2014</u>		
	<i>Present value of defined benefit obligation HK\$</i>	<i>Fair value of plan assets HK\$</i>	<i>Total HK\$</i>
Beginning balance	-	-	-
Defined benefit costs recognised in profit or loss			
Current service cost	346,471	-	346,471
Interest expense (income)	11,420	-	11,420
Subtotal	357,891	-	357,891
Defined benefit cost recognised in other comprehensive income	-	-	-
Actuarial loss from financial assumptions	67,117	-	67,117
Actuarial loss from experience adjustment	290,234	-	290,234
Subtotal	357,351	-	357,351
Contribution			
Benefits paid	(207,123)	-	(207,123)
Other increase	261,804	-	261,804
Ending balance	769,923	-	769,923

(c) Key actuarial assumptions used as at 31 December 2015 and 2014 are as follows :-

	<u>2015</u>	<u>2014</u>
Discount rate	2.34%	2.555%
Expected rate of salary increase	3.82%	2.00%

GREENPEACE EAST ASIA  
(LIMITED BY GUARANTEE)  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015

**12. NET DEFINED BENEFIT LIABILITY (CONT'D)**

- (d) The sensitivity analysis of actuarial assumptions used in defined benefit obligation is as follows :-

		<i>Defined benefit obligation 2015 HK\$</i>	<i>Defined benefit obligation 2014 HK\$</i>
Discount rate	Increase by 1% point	97	48
	Decrease by 1% point	(113)	(56)
Expected rate of salary increase	Increase by 1% point	(113)	(55)
	Decrease by 1% point	98	49

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.

**13. COMMITMENT**

As at 31 December 2015, the total future minimum lease payments under non-cancellable operating leases for use of land and buildings, are payable as follows :-

	<i>2015 HK\$</i>	<i>2014 HK\$</i>
Within one year	7,720,325	8,714,652
In the second to fifth year inclusive	5,733,114	13,300,883
Over five years	155,928	259,610
	<u>13,609,367</u>	<u>22,275,145</u>

Operating lease payments represent rental payables by the Group for its offices premises and staff quarters. Leases are negotiated for an average term of five years with fixed monthly rental charges.



GREENPEACE EAST ASIA

(LIMITED BY GUARANTEE)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

**14. RELATED PARTY TRANSACTIONS**

Apart from the transactions as disclosed in notes 10 and 11 to the financial statements, the Group had no other material transaction with its related party during the year.

**15. NATURE AND EXTENT OF FINANCIAL INSTRUMENT RISKS**

(a) Credit risk

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

Carrying amounts of financial assets as at 31 December 2015, which represented the amounts of maximum exposure to credit risk, were as follows :-

	<b>2015</b> <b>HK\$</b>	<b>2014</b> <b>HK\$</b>
Amount due from Stichting Greenpeace Council	<b>2,639,550</b>	-
Deposits and other receivables	<b>5,986,876</b>	3,717,880
Fixed deposits	<b>5,313,735</b>	8,309,934
Cash and bank balances	<b><u>33,471,728</u></b>	<u>20,285,597</u>
	<b><u>47,411,889</u></b>	<u>32,313,411</u>

The Group's cash and cash equivalents are placed with major financial institutions located in Hong Kong and the PRC with high credit quality and the credit risk is considered as insignificant.

The council members are satisfied with the credit quality of amount due from Stichting Greenpeace Council since it is financially healthy.

GREENPEACE EAST ASIA

(LIMITED BY GUARANTEE)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

15. NATURE AND EXTENT OF FINANCIAL INSTRUMENT RISKS (CONT'D)

(b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities. The Group 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 the Group to meet its financial obligations.

Maturities of the non-derivative financial liabilities as at 31 December 2015 were as follows :-

	2015 HK\$	2014 HK\$
Total amounts of contractual undiscounted obligations :-		
Amount due to Stichting Greenpeace Council	-	271,233
Amounts due to other National Offices	275,741	308,075
Accounts payable	9,983,830	11,484,689
Loans from Stichting Greenpeace Council	13,795,714	9,165,227
	<u>24,055,285</u>	<u>21,229,224</u>
Due for payment :-		
Within one year or on demand	10,259,571	13,275,787
In the second to fifth years	4,898,592	3,173,168
Over five years	8,897,122	4,780,269
	<u>24,055,285</u>	<u>21,229,224</u>

GREENPEACE EAST ASIA  
(LIMITED BY GUARANTEE)  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015

**15. NATURE AND EXTENT OF FINANCIAL INSTRUMENT RISKS (CONT'D)**

(c) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Carrying amounts of financial assets and financial liabilities as at 31 December 2015 exposed to currency risk were as follows :-

	2015 HK\$	2014 HK\$
Financial assets denominated in foreign currencies :-		
Amount due from Stichting Greenpeace Council	2,639,550	-
Cash and bank balances	5,203,195	8,736,704
Fixed deposits	841,985	3,413,565
Deposits and other receivables	522,959	939,467
Financial liabilities denominated in foreign currencies :-		
Amount due to Stichting Greenpeace Council	-	(271,233)
Accounts payable	(1,585,028)	(2,095,824)
Amounts due to other National Offices	(110,302)	(308,075)
Loans from Stichting Greenpeace Council	(13,795,714)	(9,165,227)
Net financial (liabilities)/assets exposed to currency risk	<u>(6,283,355)</u>	<u>1,249,377</u>

The Group's financial assets and financial liabilities exposed to currency risks were primarily denominated in Renminbi.

The council members consider that material fluctuations in the exchange rates of Hong Kong dollars against Renminbi are remote.

(d) 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 Group manages interest rate risk, when it is considered significant, by entering into appropriate swap contracts.

As at 31 December 2015, loans from Stichting Greenpeace Council of HK\$13,795,714 (2014 : HK\$9,165,227) bearing fixed interests, therefore the Group is not exposed to fair value interest rate risk.

Since the loans were measured at amortised cost, their carrying amounts would not be affected by changes in market interest rates.

(e) Fair value estimate

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

GREENPEACE EAST ASIA

(LIMITED BY GUARANTEE)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

16. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Note	2015 HK\$	2014 HK\$
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		3,314,902	2,399,419
Investments in subsidiaries	16(a)	5,263,500	5,263,500
Loan to a subsidiary		39,837,514	16,887,574
		<u>48,415,916</u>	<u>24,550,493</u>
<b>CURRENT ASSETS</b>			
Amount due from Stichting Greenpeace Council		2,639,550	-
Amounts due from subsidiaries		1,456,903	4,143,703
Loan to a subsidiary		-	3,253,652
Deposits, advances and other receivables		5,557,975	5,983,494
Fixed deposits		841,985	3,413,565
Cash and bank balances		8,784,191	9,569,562
		<u>19,280,604</u>	<u>26,363,976</u>
<b>LESS :</b>			
<b>CURRENT LIABILITIES</b>			
Amount due to Stichting Greenpeace Council		-	271,233
Amounts due to other National Offices		151,226	308,075
Loans from Stichting Greenpeace Council		-	1,211,790
Accounts payable and receipt in advance		10,367,486	7,977,567
		<u>10,518,712</u>	<u>9,768,665</u>
<b>NET CURRENT ASSETS</b>		<u>8,761,892</u>	<u>16,595,311</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>57,177,808</u>	<u>41,145,804</u>
<b>LESS :</b>			
<b>NON-CURRENT LIABILITY</b>			
Loans from Stichting Greenpeace Council		13,795,714	7,953,436
<b>NET ASSETS</b>		<u>43,382,094</u>	<u>33,192,368</u>
<b>REPRESENTING :-</b>			
<b>ACCUMULATED SURPLUS</b>	16(b)	<u>43,382,094</u>	<u>33,192,368</u>

APPROVED AND AUTHORISED FOR ISSUE BY  
THE COUNCIL OF MEMBERS ON 22 MAY 2016

  
PAI KUNDAPUR SANTOSH  
COUNCIL MEMBER

  
CHANG WEI HSIU  
COUNCIL MEMBER

GREENPEACE EAST ASIA  
(LIMITED BY GUARANTEE)  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015

16. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONT'D)

Notes:-

(a) Investments in subsidiaries

	2015 HK\$	2014 HK\$
Unlisted equity, at cost	<u>5,263,500</u>	<u>5,263,500</u>

Details of the subsidiaries are as follows :-

<i>The company</i>	<i>Place of establishment and operation</i>	<i>Particulars of registered capital</i>	<i>Effective percentage of equity holding</i>
Greenpeace (Beijing) Consultancy Company Limited of Environment	The People's Republic of China	HK\$250,000	100%
財團法人綠色和平基金會	Taiwan	TWD5,000,000	100%
Greenpeace Foundation	South Korea	KRW500,000,000	100%

Principal activities of the subsidiaries are provision of consultancy service for environmental friendly product, technical service, training, planning and solution for environmental protection

GREENPEACE EAST ASIA  
(LIMITED BY GUARANTEE)  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015

16. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONT'D)

Notes:- (cont'd)

(b) Reserves

	<i>Accumulated surplus HK\$</i>
At 1.1.2014	16,848,746
Total comprehensive income for the year	<u>16,343,622</u>
At 31.12.2014 and 1.1.2015	33,192,368
Total comprehensive income for the year	<u>10,189,726</u>
<b>At 31.12.2015</b>	<b><u>43,382,094</u></b>