

EAAF Partnership Secretariat

Statement of Received Income and Expenditures

For the year ended December 31, 2024

**with
Independent Auditors' Report**

EAAF Partnership Secretariat

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Independent Auditors' Report

To the Chair of the partnership of the East Asian-Australasian Flyway

Opinion

We have audited the accompanying statement of received income and expenditures of the East Asian-Australasian Flyway Partnership Secretariat (the "Secretariat") for the year ended December 31, 2024 all expressed in Korean won and a summary of significant accounting policies and other explanatory information (together "the financial statement").

In our opinion, the financial statement presents fairly, in all material respects, the cash receipts and disbursement of the East Asian-Australasian Flyway Partnership Secretariat for the year ended December 31, 2024 in accordance with the cash receipts and disbursements basis of accounting described in Note 2.

Basis for Opinion

We conducted our audit in accordance with Korean Standards on Auditing (KSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Secretariat within the meaning of the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code), and we have fulfilled our other responsibilities under those relevant ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 2 to the financial statement, which describes the basis of accounting. The financial statement is prepared to provide information to users who are informed about the cash basis accounting practices established by East Asian-Australasian Flyway Partnership and Metropolitan City of Incheon of the Republic of Korea. As a result, the statement may not be suitable for another purpose.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the cash receipts and disbursements basis of accounting described in Note 2; this includes determining that the cash receipts and disbursements basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances, and for such internal control as management determines is necessary to enable the preparation of the financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with KSAs will always detect a material misstatement that may exist. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on this financial statement.

As part of an audit in accordance with KSAs we exercise professional judgment and maintain professional skepticism throughout the audit. In addition, we:

- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or an override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial statement represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Grant Thornton Daejeon

August 12, 2025
Seoul, Korea

EAAF Partnership Secretariat

Statement of Received Income and Expenditures

(In Korean won)

For the year ended December 31, 2024	Budget	Actual	Variance
Received Income			
Contributions Note 3	763,753,440	767,723,308	(3,969,868)
Brought forward	814,968,576	814,968,576	-
Miscellaneous	-	15,402,027	(15,402,027)
Total Received Income	1,578,722,016	1,598,093,911	(19,371,895)
Expenditures			
Office operations	143,850,130	154,507,800	(10,657,670)
Partnership activity	294,650,000	234,047,483	60,602,517
Extra Project Incheon-Hongkong BFS	50,000,000	37,183,012	12,816,988
Contribution to Secretariat from Foundation	-	758,895	(758,895)
Personnel cost	366,159,550	344,313,296	21,846,254
Total Expenditure	854,659,680	770,810,486	83,849,194
Foreign Exchange Translation Adjustments	-	6,187,831	(6,187,831)
Total	724,062,336	833,471,256^(*)	(109,408,920)

(*) The details of the actual balance of KRW 833,471,256 are as follows(31 December 2024):

- EAAFP Secretariat's balance: KRW 446,456,251
- Secretariat's balance in the Foundation's account: KRW 251,994,801
- Cash balance: KRW 4,070,204
- Contingency fund: KRW130,950,000 (Deposited separate account, USD 10,000, MOP 11 Decision)

* Remark : The difference between the budgeted and actual amounts reflects the extent of deviation, not necessarily a surplus or deficit. "figure in parenthesis,(000)" is used for management and control purposes. This applies to both received income and expenditure, with the same logic for comparison. A negative value means the actual amount exceeds the budget, while a positive value means the budget is higher than the actual amount.

EAAF Partnership Secretariat

Notes to the Statement (continued)

(In Korean won)

1. DESCRIPTION OF NON-PROFIT BUSINESS

The Secretariat of Partnership for the East Asian-Australasian Flyway (the “EAAFP” or “Secretariat”) is a non-profit organization, which aims to conserve migratory water birds across the EAAF for the benefit of people and biodiversity, and to provide a flyway wide framework to promote dialogue, cooperation and collaboration between a range of stakeholders including all levels of governments, site managers, multilateral environment agreements, technical institutions, UN agencies, industrial and private sector, academe, non-government organizations, community groups and local people to conserve migratory waterbirds and their habitats. The Secretariat was incorporated and hosted in Incheon, South Korea to facilitate effective communication and coordination of the Partnership and to coordinate activities across the Flyway on July 1, 2009 in accordance with Memorandum of Understanding (the ”MOU”) among the EAAFP , the Ministry of Environment of the Republic of Korea and the Incheon City Government dated May 8, 2009. The Secretariat’s office is located in Incheon, South Korea. The EAAF Partnership is composed of 40 international Partners including 18 national Governments, several global organizations and an international private enterprise. The Secretariat is operated by the subsidy or donation from partners.

The Secretariat set up a non-profit foundation in October 2019 to issue donation receipt to the donor in accordance with the relevant regulation in Korea. However the foundation accounted as internal transactions within the Secretariat.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed by the Secretariat in the preparation of its financial statement are summarized below:

Basis of Financial Statement Presentation

The Secretariat maintains its accounting records in Korean won and prepares its statement on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than the basis under generally accepted accounting principles. Accordingly, this statement is intended for use by those who are informed about the cash basis accounting practices established by East Asian-Australasian Flyway Partnership, and Metropolitan City of Incheon of the Republic of Korea.

Income and Expenditures Recognition

The Secretariat recognizes income when the contributions or donations from partners are received and expenditures when the expenditures are paid.

Foreign Currency Translation

The Secretariat reports the 2024 audited annual financial statements to the partner’s general meeting in 2025. Until 2021 to simplify currency translation, foreign currency transactions were converted into the functional currency using the average exchange rate

EAAF Partnership Secretariat

Notes to the Statement (continued)

(In Korean won)

of the previous year. However, starting from 2022, the year-end exchange rate is applied for currency conversion into the functional currency.

At the year-end, The Secretariat holds USD 29,203.44. The year-end exchange rate is US\$ 1.00 = KRW 1,470.0. Therefore, when converting the foreign currency into the functional currency, it amounts to KRW 42,929,058.

EAAF Partnership Secretariat

Notes to the Statement (continued)

(In Korean won)

3. CONTRIBUTIONS FROM INCHEON CITY GOVERNMENT, PARTNERS AND OTHER SOURCES

3.1 In accordance with the said MOU to host the Secretariat in Incheon City, the Mayor of Incheon City Government(ICG) has provided a budget contribution to support the Secretariat as follows:

The first year (2009) : KRW 708 million
Subsequent years : KRW 539 million each year thereafter

3.2 Sources of contributions for the year ended December 31, 2024 are as follows:

Category	Sources of Income	KRW(a)	USD(b)	(a)+(b) as KRW
ICG	2024 ICG Core operational funds	539,000,000	-	539,000,000
	2024 Incheon-Hongkong BFS	50,000,000	-	50,000,000
	Subtotal	589,000,000	-	589,000,000
Partners	MOEK Voluntary Contribution 2024	70,000,000	-	70,000,000
	USFWS	53,156,000	-	53,156,000
	MOEJ Voluntary Contribution 2023	-	35,163	46,872,279
	New Zealand Voluntary Contribution 2024	-	2,000	2,666,000
	Wildfowl & Wetlands Trust(WWT)	-	2,000	2,594,000
	Birdlife Austraila(AWSG)	-	1,000	1,395,000
	Pukorokoro Miranda Naturalists Trust	-	295	402,380
	Individuals	Paypal donations from individuals	1,637,649	-
	Subtotal	124,793,649	40,458	178,723,308
Miscellaneous fund	Refund, Bank Interests and etc	13,838,629	1,123	15,402,027
	Brought forward from last year(*)	777,369,236	29,160	814,968,576
	Subtotal	791,207,865	791,207,865	830,370,603
Total		1,505,001,514	70,742	1,598,093,911

(*) The details of the brought forward amount of KRW 814,968,576 are as follows(31 December 2023):

- EAAFP Secretariat's balance: KRW 558,358,709
- Secretariat's balance in the Foundation's account: KRW 252,753,696
- Cash balance: KRW 3,856,171

EAAF Partnership Secretariat

Notes to the Statement (continued)

(In Korean won)

4. THE UNUSED BALANCE

The unused balance of KRW 833,471,256 (including USD 29,203.44) as of December 31, 2024 shall be carry-forward to subsequent year.

5. DETAILS OF TANGIBLE ASSETS

The changes in EAAF's tangible assets during the 2024 fiscal year are as follows:

						Unit : KRW
Detailed	Location	Beginning	Acquisition	Disposal	Depreciation	Ending
Vehicle	Yeonsu-gu, Incheon	18,476,138	-	-	(3,695,227)	14,780,911
Fixtures	Yeonsu-gu, Incheon	5,947,400	4,098,690	-	(2,990,361)	7,055,729
	Total	24,423,538	4,098,690	-	(6,685,588)	21,836,640

6. ASSET SUMMARY

As of December 31, 2024, the summary of EAAF's assets is as follows:

Category	Unit : KRW
	31 December 2024
Cash and Deposits	833,471,256
Security Deposit	10,000,000
Vehicles	18,476,138
Accumulated Depreciation (Vehicles)	(3,695,227)
Fixtures	10,046,090
Accumulated Depreciation (Fixtures)	(2,990,361)
Total Assets	865,307,896