

KIDS & FUTURE FOUNDATION

2017 ANNUAL REPORT



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KIDS & FUTURE FOUNDATION

2017 ANNUAL REPORT

KIDS & FUTURE Foundation is a private, independent organization established with the donations from venture companies that are willing to contribute to society. Based on our expertise, transparency, and unique experiences in the social welfare sector, we are helping children and youth enjoy various benefits and rights in welfare, education, and culture.

Please keep supporting our children's future



profile

2012-
present, Kids & Future Foundation

2008-2012.01
Chancellor, CHA University

2004-2008
Former Director, Changwon District prosecutors' Office
Former Director, Daejeon District prosecutors' Office
Former Director, Incheon District Prosecutors' Office

Since its establishment in March 2000, K&F has been bearing fruit in its endeavors to present a brighter future for domestic and international children, despite the various challenges faced by NPOs in the past 18 years.

Even in difficult economic situations, our partners—reputable corporations and donors—have spared no effort in supporting children. Thanks to their support, our foundation was able to accumulate many experiences and outcomes in realizing sharing, education, assistance, and volunteer work in the process of exhibiting the features and uniqueness of each partner corporation.

The foundation's own programs, the K&F Talent Scholarship and the Malawi youth soccer program, are being expanded based on our past program experience. In addition, the existing Love Children program has been updated to support children in need of medical expenses. These efforts altogether have helped numerous youth in Korea and abroad to take a step closer to their dreams.

This has been only possible with the contribution of corporations and entrepreneurs who have trust in our foundation.

We would like to express our gratitude on behalf of the children you supported.

Nowadays, the transparency of nonprofit organizations is being required more than ever. As observed from the reception of the first award of the Samil Transparency Awards for NPO and the crown certification for non-profits by GuideStar Korea, our foundation has been repeatedly re-examining our program efficiency, accounting transparency, and financial stability. As we continue to proceed with our tailored social contribution projects with our public confidence and sense of duty, we ask for your sustained trust and interest.

We wish to express our gratitude to all our corporate sponsors and stakeholders through this new annual report. This report was put together, in a transparent and accurate manner, to inform you of how your valuable contribution has been used for supporting children.

K&F will exert its best efforts in the forthcoming year so that children around the world can be healthy and gain experiences through play and learning; we hope that you will continue to stand beside them. Thank you.

A handwritten signature in black ink that reads "H. K. Lee".

LEE Hoon-kyu

Chairman, Kids & Future Foundation



A world where all children can dream of the future—
let's make it together!



Our Foundation's accomplishments are truly recognized when we observe our children flourish day by day.

Introduction to K&F

Name : Kids & Future Foundation

Chairman : Hoon-kyu Lee

Location : 5F Sam-bo B/D, 272, Sadang-ro, Dongjak-gu, Seoul, Korea

Permitted by : Korean Ministry of Health and Welfare, License No. 832

Corporation Type : Social Welfare Corporation

Applicable Statute :

Article 16 of Social Welfare Service Act

Target Audience :

Social welfare facilities and personnel of children and youth-related work; neglected children and youth

Date of Establishment : March 28, 2000

Contribution Deduction :

Designated donations (in accordance with Paragraph 1, Article 34, Income Tax Act); relevant organizations and individuals: 30%; corporations: 10%

Core Values



Creativity We are open and flexible; we are not afraid of making a change for a better and happier world for children.



Trust Through our financial transparency, we build trust with our partner organizations and donors. Our mutual respect is based on integrity and trust, through which we gather our ideas.



Passion We make dedicated efforts based on our incessant passion for children's bright future.



Action We have no hesitation in stepping up to challenges, planning, and taking action accordingly if we find something of value to the youth we serve.

Core Values



VISION

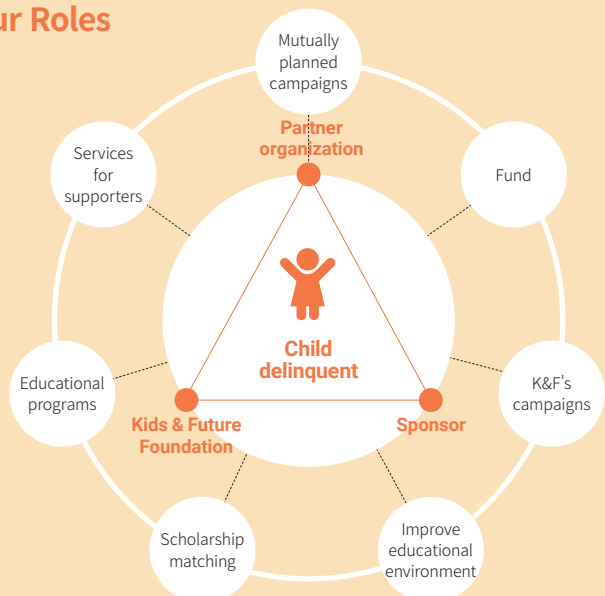
K&F pursues a society where every child can dream of a brighter future.



MISSION

We aim at providing children and youth ample opportunities to play and learn in a healthy and stable environment.

Our Roles





**KIDS & FUTURE
FOUNDATION**

Chairman

Board of
Directors


Executive
Director




Management &
Strategy Team




Fundraising
Team



Project
Team 1

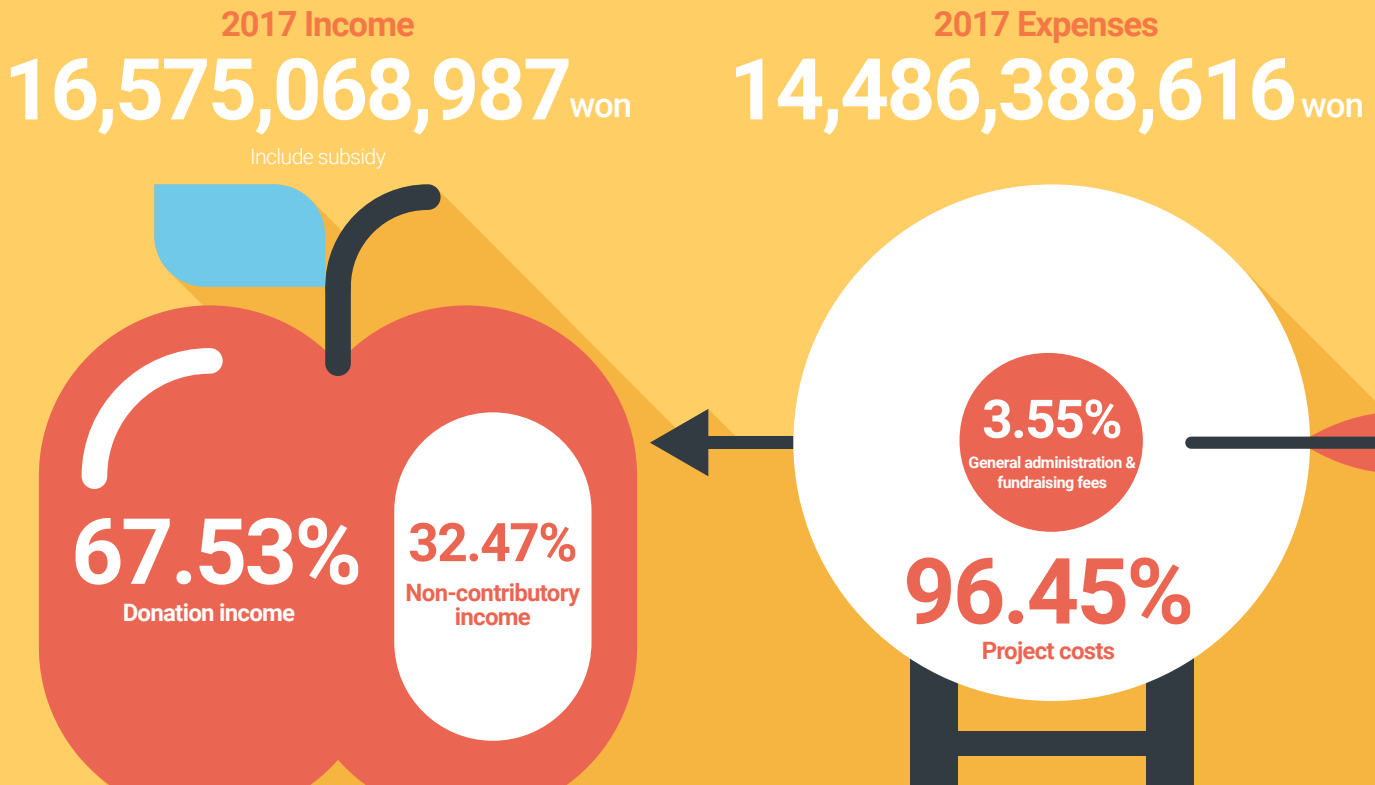


Project
Team 2



Project
Team 3

K&F's 3-year Operation Outcomes



Revenue (2015–2017)

(Unit: KRW)

	2015	2016	2017	2017's Ratio
Individual donations	1,558,669,385	1,502,811,331	2,205,036,067	9.27%
Corporate & group donations	9,328,332,603	9,812,043,504	12,232,442,403	51.45%
Support funds from fundraising organizations & foundations	1,437,701,218	1,018,741,164	1,620,219,955	6.81%
Donated goods	236,932,000	402,796,637	353,403,562	1.49%
Subsidies	160,964,000	163,967,000	163,967,000	0.69%
Subtotal (donations, etc.)	12,722,599,206	12,900,359,636	16,575,068,987	-
Other income (interest earnings, etc.)	108,060,052	155,643,728	116,273,025	0.49%
Subtotal (interest earnings, etc.)	18,513,943	18,557,440	21,254,332	0.09%
Balance carried over	5,505,395,265	7,422,237,577	7,063,503,827	29.71%
Subtotal (interest earnings, etc.)	5,631,969,260	7,596,438,745	7,201,031,184	-
Total	18,354,568,466	20,496,798,381	23,776,100,171	100%

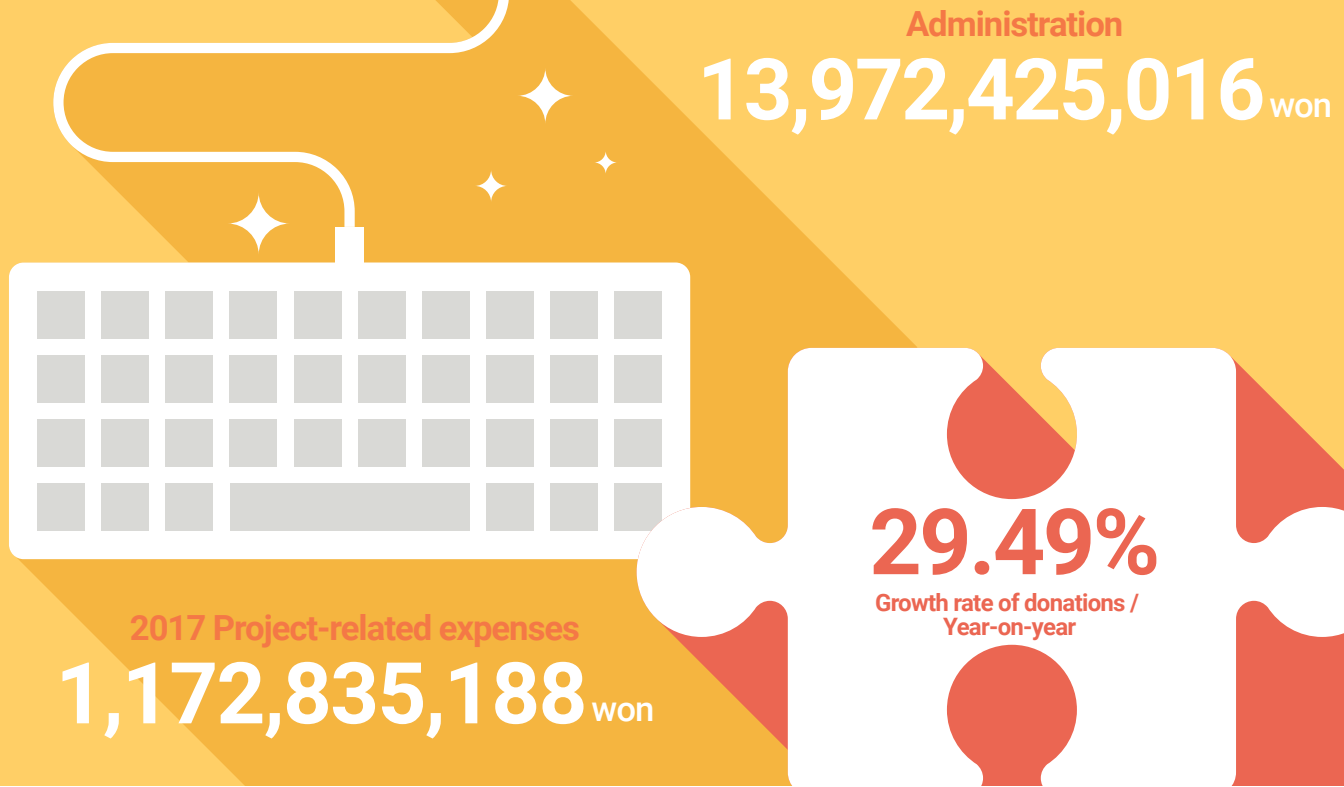
※ The increased amount of balance carried over in the past three years have all been used for the donation fund for CSR projects.

Expenses (2015–2017)

(Unit: KRW)

Unit	2015	2016	2017	2017's Ratio
Project costs	10,627,297,833	12,875,331,806	13,972,425,016	96.45%
General administration & fundraising fees	468,726,268	628,882,396	513,963,600	3.55%
Total	11,096,024,101	13,504,214,202	14,486,388,616	100.00%
Reserve fund for the following year's projects	7,422,237,577	7,063,503,827	9,227,253,305	

※ The reserve fund includes the past year's expenses, accounts payable, etc.



Net Worth Details

(Unit: KRW)

Category	2015	2016	2017
Net worth without constraints	721,616,570	631,912,824	908,919,994
Net worth with temporary constraints	6,362,880,479	6,024,935,396	7,981,681,910
Total	7,084,497,049	6,656,848,220	8,890,601,904
Net worth with permanent constraints (fundamental property)	3,000,000,000	3,000,000,000	3,000,000,000

※ 재무제표 세부사항은 아이들과미래재단 홈페이지 법인회계보고-외부회계감사보고서 란을 통해 확인가능합니다.

Net Worth Details

(Unit: KRW / %)

Total	Project-related	Fundraising-related	Management
1,172,835,188	826,931,552	94,060,577	251,843,059
Ratio (%)	70.51	8.02	21.47

Donation income by year

(Unit: KRW)

Unit	2015	2016	2017
Donation	12,722,599,206	12,900,359,636	16,575,068,987

About Our Transparency

K&F places the highest value in abiding by a transparent and truthful principle of finance operation.

It is our foundation's principle, based on accountability and efficiency, to allocate our supporters' donations to the right purpose.

K&F is the most transparent nonprofit organization (NPO) in the Republic of Korea. In 2001, our foundation was the first NPO to implement an external auditing system. In addition, in 2008, we founded GuideStar Korea to communicate with our donors as the leading NPO of transparency.

The core value and mission of K&F are reflected in our every activity. We are doing our utmost in project implementation, hiring and evaluation, and smooth communicative processes. Meanwhile, we make endeavors toward receiving regular external audit, assessing project performance, and communicating with our sponsors.

As the most transparent foundation in Korea, K&F's achievements of the past three years can be confirmed through this report.

For the sustainable growth and development of the nonprofit sector, K&F concluded an MOU with Arthur "Buzz" Schmidt, founder of GuideStar USA, in 2005. In 2008, K&F founded GuideStar Korea.

Through GuideStar Korea, it has become possible to share information on NPOs' mission, values, activities, and operational status, as well as to communicate with donors.

Our citizens, thus, are able to participate in NPOs' efforts with greater trust and in more diverse ways.





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K&F Review of 2017

1. After the broadcast of MBC's "Sharing and Happiness"

Two fundraising broadcasts were carried out on MBC's "Sharing and Happiness" program together with the Community Chest of Korea on January 25 and 29, 2017. In this broadcast aiming at assisting local community children in need, the stories of twin siblings suffering from a rare, incurable disease, a social adaptation program for multicultural children, and K&F Talent Scholarship recipients were introduced. Through the fund collected from the broadcast, the twin siblings were able to receive necessary treatment (i.e., speech therapy, kinesiatrics, etc.), while children with talent were awarded scholarships. We thank all donors for their support.

2. FC Malawi's 10th club established!

The FC Malawi program is transforming children and villages by providing an environment in which children can enjoy playing soccer and running. Nutritious meals are also provided to fulfill the essential nutrients, together with scholarship assistance, child counseling, family visits, and local community volunteer activities. Starting with the FC Senga Bay founded in 2012, FC차 and FC오케이 have been

newly established in the villages Mtamva and Mikute, respectively, in 2017. We are supporting a total of 2,000 children in 10 teams in 10 villages in Malawi. We deeply appreciate our FC Malawi sponsors.

3. GIVE 'N' RACE, a donation marathon with 12,000 participants

With the support of the Mercedes-Benz CSR Committee, the GIVE 'N' RACE, a marathon whose total participation fee is donated to children's hospitals and the rehabilitation support for children with severe disabilities, was carried out during two occasions, on May 28 and November 5, 2017. The 1st GIVE 'N' RACE was participated by 2,000 supporters; at the 2nd GIVE 'N' RACE, 10,000 participants delivered their funds to young patients. At the marathon site, more donations were made by purchasing various items such as sticker photos and bracelets in addition to making regular donations for ongoing sharing. We are grateful to all participants and performers Kim Bum-soo and Kim Yeon-woo for sharing our spirit.

4. "Class for Future Filmmakers" for Free Semester System in middle schools

The "Class for Future Filmmakers," a pilot program, was operated alongside Lotte Cinema as part of the fall 2017 Free Semester System in middle schools. The Free Semester System is an educational policy allowing students to experience diverse activities or explore career opportunities, which consists of practicum or participatory classes such as debate classes. With the professional advice of the Korea Vision Institute and field experts, the 14-week program was conducted for 60 students in two middle schools in Seoul and Gyeonggi-do on creating and editing micro movies using smartphones and movie screening for complete works. In 2018, the "Class for Future Filmmakers" is expected to be offered to many more middle school students in accordance with the expanded Free Semester System to provide specific and substantial opportunities to experience filmmaking for those who love movies and aspire to work in film-related fields.

5. KB academic mentoring

The KB Rising Star academic mentoring program, resolving educational disparities and providing opportunities for diverse cultural experiences, celebrated its 10th year anniversary. A volunteer group of college student mentors has been



providing mentoring for youth from low-income families. At the 4-hour mentoring program taking place twice every week, individual programs targeted at different aspects of each child’s development are proceeded (e.g., academic basics, cultural experience, university campus visits). Over the past decade, 1,500 middle and high school students and 2,000 college students have participated in this program. Some mentees grew to be college mentors, giving back the love that they received. We extend our appreciation to KB Kookmin Bank for the ongoing social contribution.

6. “Donate a Day,” an easy way for anyone to donate

To create a world where children can dream without limits, each donor shares one day. The “Donate a Day” individual donation campaign has been initiated to donate one day among 365 days for children. It has been planned to allow the donor to directly design the donation content; the donated funds are then used for one of the programs the donor selects (e.g., K&F Talent Scholarship, Love Children, FCMalawi). The donor can also select the fund amount, method, and the proportion of operating expenses, and be informed of the donation result. K&F is making efforts to create a

transparent donation culture which earns every participant’s trust.

7. Receiving of “Crown” from GuideStar NPO Evaluation

K&F has gained the trust of external stakeholders through its transparency and accountability. According to the evaluation outcomes of the 2017 GuideStar Korea NPO Evaluation indices, our foundation was crown-certified by earning high scores for financial stability and efficiency along with accountability and transparency. The crown certification mark is given to nonprofit foundations which have acquired 5 out of 5 stars in addition to a confirmation of additional documents. We will keep striving for a transparent fund management and ethical administration.



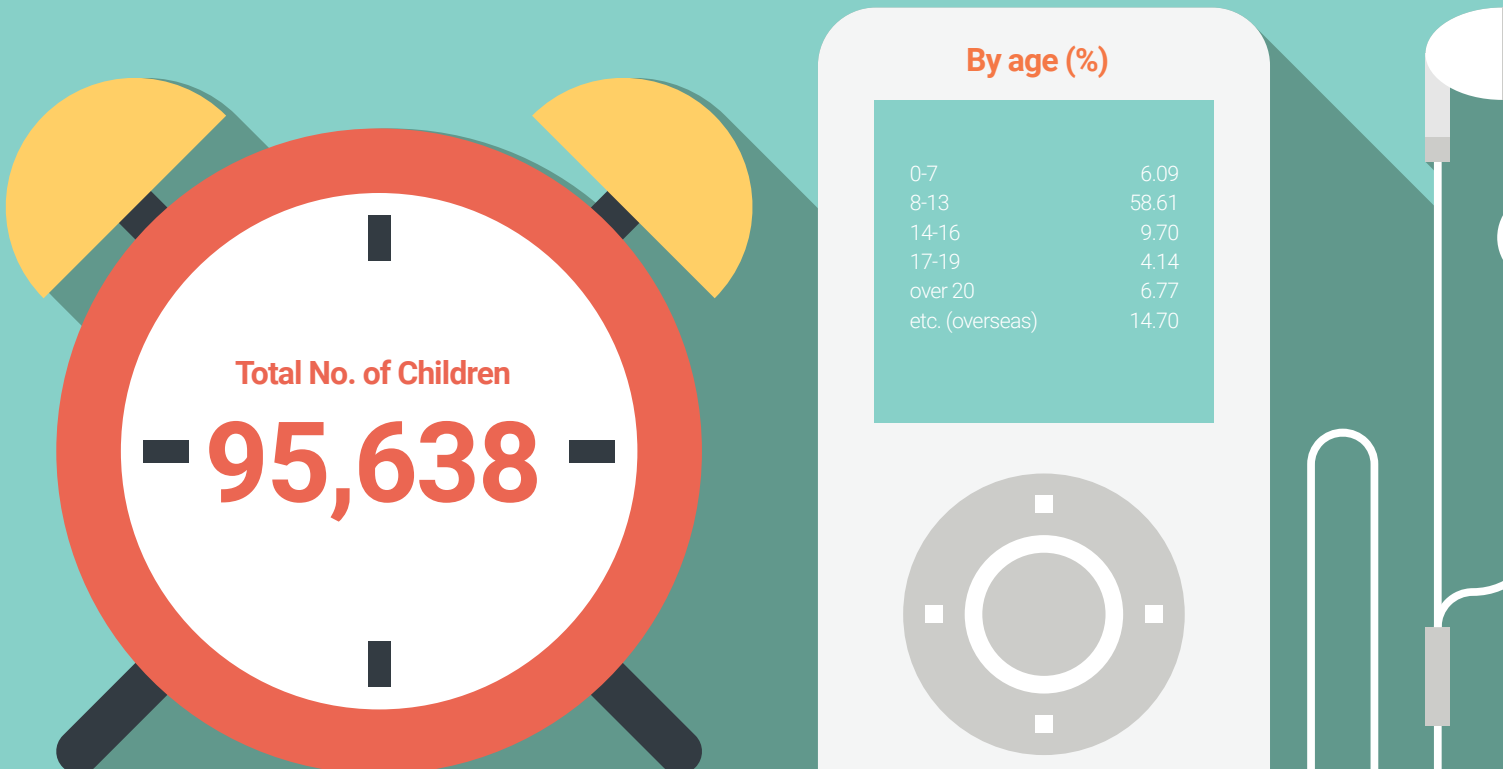
8. Website renewal

The K&F website has been updated by forming an optimal web environment for mobile and tablet devices. Additionally, the web environment for individual donors has been adjusted to provide easier, more convenient, and more diverse features, while allocation, mentoring, and other options have become easier to apply for. To deliver our news to more channels, moreover, the function of sharing website content via SNS has been added.

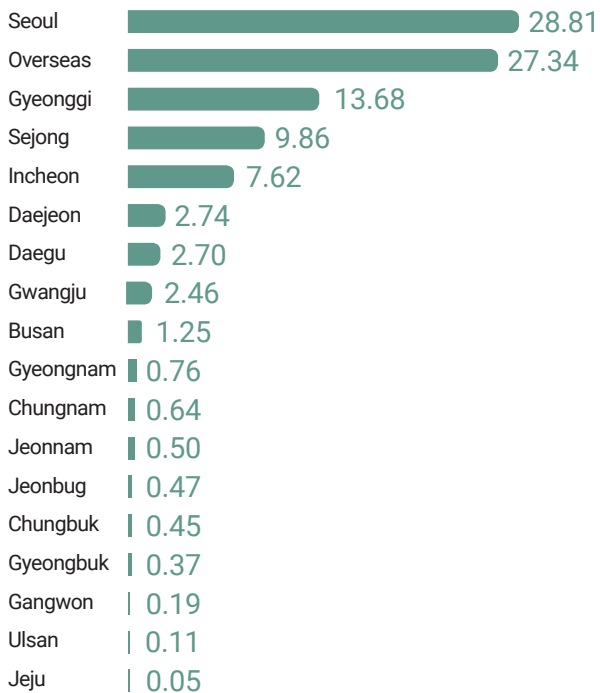
9. K&F staff story

The happy K&F staff stands by happy children. As the children-focused projects at K&F become more diverse, creating a happy working environment becomes important as well. The entire staff has taken part in group activities such as mountain climbing and workshops, strengthening the team spirit. We have also made efforts in regular capacity-building through the CSR academy, reading books, and online education in accordance with individual staff’s duties. At the year-end, a bazaar was held by the staff as well to raise funds for children.

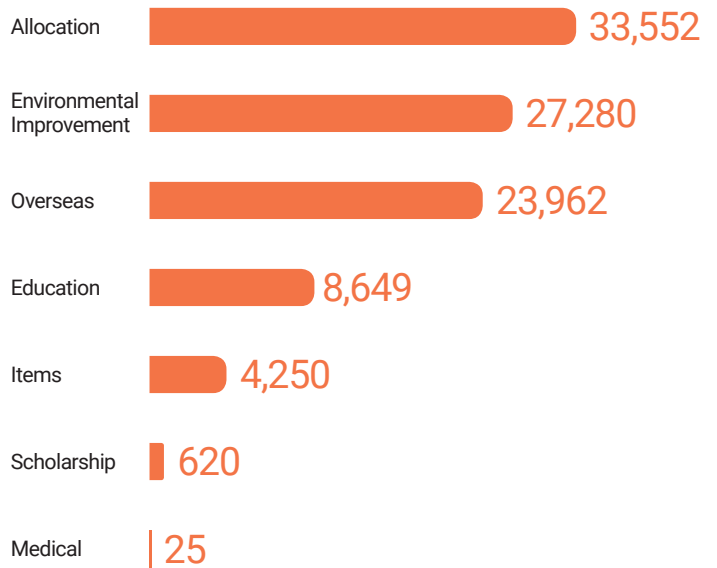
Supported Children



By region(%)



By area



Supporting Organizations



Distribution of support by org. (%)



63.13% **Social Welfare Facilities**

Local child center	31.37
Community welfare center	23.69
Childcare facilities	4.78
Multicultural support	2.11
Youth center	1.28
Support for children with disability	2.34
Others (Social welfare-related bodies)	34.43

School 36.87%

Elementary school	20.67
Middle school	49.62
High school	26.86
Others (alternative school, overseas)	2.86

Volunteers

Volunteers Ratio (%)

Executives	74.39
College Student Corps	13.61
Public	12.01

No. of volunteers

12,277

By area (%)

Allocation	70.33
Education	21.97
Scholarship	1.11
Environmental improvement	6.59

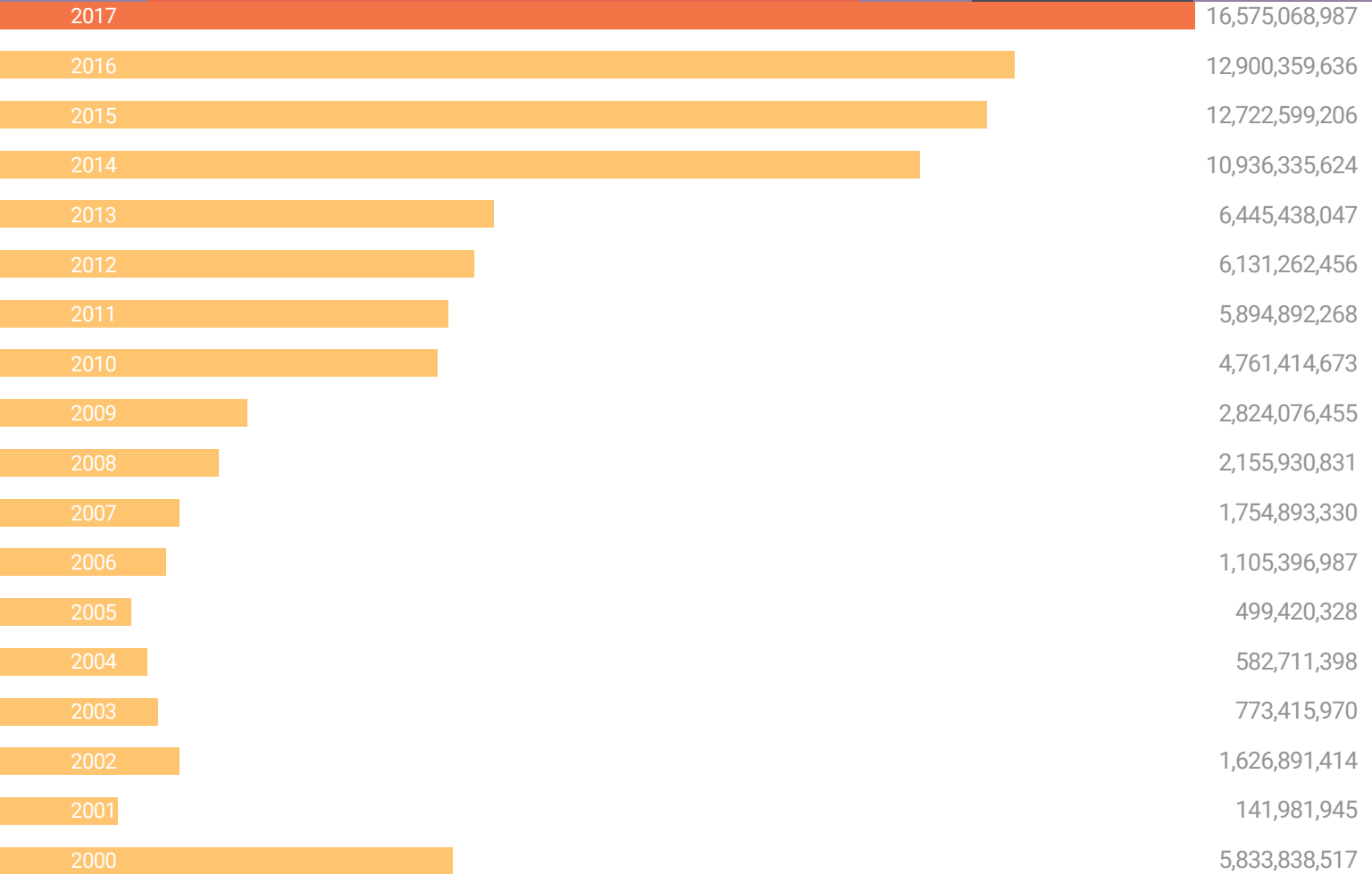
Proportion of project expenses (%)

Allocation	44.18
Education	34.42
Environmental improvement	9.61
Scholarship	7.74
Items	1.58
Overseas	1.56
Medical	0.91

No. of Projects

63

Fund



How to Support K&F

Individual Donation

A donation can be made in a fixed amount over a consecutive period of time; a one-time donation is also possible starting at 10,000 KRW. These funds are allotted to our foundation's campaigns such as the K&F Talent Scholarship and FC Malawi.

How to Make a Donation:

You can participate by just a few clicks; click on 'Donation' on our website (eng.kidsfuture.or.kr)

Happy Bean Donation:

Participation is also possible through Naver's 'Happy Bean Donation' (www.happylog.naver.com/kidsfuture.do)

Direct donation is available via ARS

+82-60-700-1533 or +82-2-843-8478

Deposit can be made to the accounts below.

-Shinhan Bank: 100-016-715700

-Kookmin Bank: 813001-04-046748

"It was very disheartening to see a widening education gap between children on account of poor family conditions. We want the foundation to help children realize their dreams of a better future."

Rosetta Stone, Corporate Donator

Partnership for Corporate Social Responsibility (CSR)

Our partnerships operate in the process below. For more information, you can contact us through our website, via telephone, or by email. We will get back to you upon reviewing your inquiry.



Designated Donations from Employees and Organizations

There are various convenient ways for business employees and individuals of organizations to donate. For example, contributions can be made by having the donation amount automatically deducted from individuals' monthly salary, through matching grants, or by donating an agreed amount.

Donating Goods

You can join our sharing efforts by donating various goods such as school supplies, clothes, and books.

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