

FINN CHURCH AID

FINANCIAL STATEMENTS AND ANNUAL REPORT

FOR THE PERIOD

1 January 2017 – 31 December 2017

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FINN CHURCH AID

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FINN CHURCH AID ANNUAL REPORT 2017

Finn Church Aid is Finland's Largest International Aid Organisation

Founded in 1947, Finn Church Aid (FCA) fulfils a mandate from the Evangelical Lutheran Church of Finland to carry out development cooperation, humanitarian assistance and advocacy work. FCA operations have a legal basis and follow international human rights standards and principles. The programme work of the Foundation is also governed by a focus on risk management, risk reduction, conflict and gender sensitivity, climate change and environmental consciousness. In its work, FCA complies with international humanitarian principles, according to which anyone suffering due to disaster or conflict has the right to receive assistance and protection, without exceptions.

During the year, the 70-year journey of the organisation was commemorated in many ways. The main event of the year was an anniversary seminar held in Helsinki in September. The event gathered about 500 Finnish and international participants.

Major Changes in Operating Environment

Finn Church Aid continued to focus its activities on the world's most fragile and challenging operating environments. In many of the programme countries, difficult security situations and unexpected disasters (mainly conflicts) slowed down the implementation of the long-term programmes of the organisation. Nevertheless, the work was fruitful and hundreds of thousands of people in different parts of the world received aid. At the same time, activities with immigrants in Finland were further developed.

The major changes in the domestic operating environment of the organisation, already begun in 2015, continued. The Finnish government's cuts to development aid entered into force in 2016 and had a dramatic impact on Finn Church Aid operations, forcing it in several countries to exit or reduce activities.. The impact extended to the year 2017, when FCA exited from Haiti..

However, other sources of funding continued to enjoy favourable growth in 2017. Private donations continued to grow and international funding bodies continued to show interest in FCA operations.

Finn Church Aid Operating Countries in 2017

At the beginning of 2017, Finn Church Aid had country-specific programmes in 16 countries and exited a programme in one country during the year.

Africa	Asia	Middle East	Latin America and the Caribbean	Europe
Eritrea, South Sudan, Kenya, Central African Republic, Liberia, Uganda, Sierra Leone, Somalia	Cambodia, Myanmar, Nepal	Israel and Palestinian territories (IOPT), Jordan, Syria	Haiti (Programmes ended at the beginning of 2017)	Greece

In addition to these, Finn Church Aid continued the humanitarian training programme in Europe (Greece). Furthermore, the Network for Religious and Traditional Peacemakers had projects in several countries (Nigeria, North-East Asia) where FCA has no operations. FCA serves as the secretariat of the Network. Peace work in Finland focused on efforts with immigrants and work for the prevention of violent extremism.

Finn Church Aid Operations by Theme

Action models and activities in FCA projects and programmes will be discussed through a few examples in the thematic section of this report, also making reference to new initiatives launched during the year. The numerical and qualitative overall picture will be reported in the annual report of the global programme.

Right to Peace

The peace work of Finn Church Aid and its partners deepened and expanded in 2017.

In **Myanmar**, 128 youths participated in workshops where they learned digital skills and the principles of peace work. Through these workshops, the participation of youth in the peace process was strengthened.

In the **Central African Republic**, FCA supported the peace work and internal dialogue of Muslim communities in cooperation with the KAICIID and the Network for Religious and Traditional Peacemakers. For instance, a radio debate was arranged at the most important radio station of the country and members of Muslim communities in six of the country's prefectures were trained in issues related to conflict resolution with the help of this project.

In **South Sudan**, a dialogue opportunity for four leaders of the Murle community was arranged at the Holy Trinity Peace Village in Kuron. At this meeting, these leaders signed a proclamation, committing to work for the cause of unity and begin a church-led peace process first internally and then externally together with neighbouring communities. FCA also supported a consultation held in Jebel Boma County, Boma State. This helped to prevent the escalation of conflict after the governor, in opposition to local views, appointed a government candidate as County leader.

In **Liberia**, a total of 30 radio conversations were held and 576 radio dramas made, focusing on women's rights. This sought to influence the traditions and cultural norms affecting women. The operations also involved 33 women's groups working together and doing women's rights advocacy work at the regional level. Furthermore, a place called "Peace Hall" was built in Liberia, whereby women's organisations can gather and promote the status of women.

In **Kenya**, 612 children (348 boys and 294 girls) were trained in children's rights, conflict resolution at schools and child protection. The children belong to peace clubs at nine comprehensive schools in Marsabit County and eight others in Garissa County. Furthermore, 14 peace meetings were facilitated in cooperation with the provincial government and the religious and community leaders in Baringo County.

In **Israel**, some 800 youths preparing for military service were provided human rights training for raising the human rights awareness of future soldiers.

During the year 2017, the **Network for Religious and Traditional Peacemakers** succeeded in providing support, for instance, for cooperation among tribes, tribe leaders, youth and women in the peace building in Libya, developing a national reconciliation process model in Somalia, and contributing to the provision of more knowledge for the prevention of radicalisation (Boko Haram and Al-Shabaab report).

Peace work competence, born in the FCA operating countries and within the Network, also enabled activities related to this theme in Finland. Working closely with the Ministry of the Interior, FCA and the Network were active partners in the implementation of an operational programme for the prevention of violent national radicalisation and extremism. Public authorities, municipal actors and operators from the Lutheran church were trained in issues related to asylum seekers, violent radicalisation and meeting of religious communities as well.

Right to Education

During the year, the Right to Education (R2QE) work expanded significantly. International fundraising profits grew along with the resources used for developing the quality of education.

In **Myanmar**, a project to support internally displaced people supported the schooling of 3,665 students and the training of remedial teachers in Kachin State and northern Shan State. Temporary teaching facilities and child-friendly spaces were refurbished as well.

In **Cambodia**, student counselling expanded to 16 new secondary schools in the province of Battambang, reaching a total of 7,700 students (55% girls) and the Ministry of Education, Youth and Sport issued a decree for the organisation of student counselling. In addition to this, FCA held a career market for more than 500 Grade 9 students. All students,

student counsellors and presenters from the various educational establishments, employment offices, companies and organisations found the event highly successful and necessary, hoping that more career markets will be held in the future.

In **Nepal**, 666 school classrooms were built in 194 schools situated in areas affected by the earthquake and 1,350 teachers, school board members and parents were trained in disaster risk prevention. Moreover, a total of 2,700 parents were provided training in psycho-social support.

In **Eritrea**, more than 500 youths graduated as teachers from an alternative teacher training supported by FCA. This training continued and its fulfilment has raised hopes of improving the status of teachers and the quality of teacher training in Eritrea. Some 200 teacher educators participated in professional training sessions for teachers arranged by FCA and eight teachers participated in an academic exchange programme in Finland. Advocacy work gained closer integration with R2QE thematic work, significantly promoting Finn Church Aid efforts both within the country and beyond it. In cooperation with the Eritrean authorities and UN actors, a side event, called "Promoting the Right to Quality Education through Partnership in Eritrea", was arranged in conjunction with the Session of the Human Rights Council in Geneva.

In **Palestine**, an FCA pilot project for ensuring the schooling and psycho-social well-being of children improved the availability of non-formal education in East Jerusalem by offering afternoon activities to 30 Palestinian children exposed to a serious risk of social exclusion. At the same time, 30 volunteer university students were trained to be mentors of such children.

In **Syria**, nine school buildings damaged by the war were repaired to usable condition. More than 3,700 young Syrian refugees along with local youth existing in a fragile life situation participated in educational and recreational activities in Jordan.

In **Greece**, 5,200 refugee and immigrant children were benefited by non-formal education, which responds to the educational needs of children and youth who enter the country. Moreover, 51 Greek and refugee youth were provided training in programming, robotics and content production.

In the **Central African Republic**, 10,000 children were benefited by a school meal programme and 8,000 children in the western parts of the country were able to go to school, thanks to FCA efforts.

In **South Sudan**, the professional competence of 600 teachers was developed through training and mentoring and 25 temporary teaching facilities were built, improving access to education. FCA efforts reached more than 33,000 students in 84 schools situated in Fangak, Awerial, Pibor and Gumuruk Counties. Support for studies involved not only distributing teaching and learning material, but also organising a campaign that stressed the significance of education and succeeded in increasing the number of students enrolled in school and continuing their studies there without interruption.

In **Kenya**, FCA supported the return of 11,000 children (5,637 boys, 5,754 girls) to their studies at 84 schools. Furthermore, a total of more than 200 teachers were provided training in pedagogy, teaching methods and child welfare.

In **Uganda**, FCA programme supported the school enrolment of nearly 1,000 children with disabilities (174 boys, 770 girls). Moreover, 450 students at the vocational school in Rwamwanja were provided training in various fields, such as agriculture, construction, the hotel industry and the repair of motorcycles. "Linking Learning to Earning", which is an approach that offers support for employment after training, allowed 87% of the graduating students to get jobs.

The share of vocational education and training is growing not only in programme activities, but also in the Finn Church Aid strategy and the new global programme starting at the beginning of 2018. There are many reasons why it is essential to ensure that people obtain vocational skills. Currently, there are more than 65 million refugees in the world, either in camps or as evacuees in their own countries. Securing their education and training is a key issue of development and of human rights, but it is also a question of security. Migration to cities is also continuing, so in addition to traditional industries, some new means of livelihood are needed through entrepreneurship and self-employment.

One significant step toward developing vocational education and training in refugee camps and the remotest or fragile operating environments was the Finn Church Aid partnership in Omnia Education Partnerships Oy (OEP Oy), established at the end of the year. In the future, it will be possible to offer Finnish secondary level vocational degrees through the company in these operating environments.

In 2017, the holistic Finn Church Aid approach to the theme of having a right to high-quality education gained strength at both community and international levels. In disaster situations, FCA is able to ensure arrangements for education and training along with access to such, to arrange teachers' in-service training, and to offer solutions for the development of the whole educational sector. Moreover, Finn Church Aid is recognised as a sought-after partner in cooperation by both major funding partners and key international educational operators. This is demonstrated by its significant role in UN cluster activities as well as increased support for our programme activities, for instance, from UNICEFF.

Right to Livelihood

The women and children empowered by Finn Church Aid are the most important target groups of the Right to Livelihood theme. During the year, the synergy between the Right to Education and the Right to Livelihood was further strengthened once the connection between education and livelihood was clarified through pilot projects.

In **Myanmar**, 17 new women's groups for savings and loans (311 members) were established in addition to the existing 38 groups. A total of 171 members of the groups for loans were provided training in the development of agriculture and livelihood, as well as entrepreneur skills.

In **Nepal**, support was provided to 35 cooperatives having 6,900 members. Of the cooperatives, 19 are led by women. A total of 2,800 women who belong in loan cooperatives were provided training in small business and marketing skills while 314 youth participated in vocational education and training, receiving support for job hunting or establishing a business as well. In addition to this, support for livelihood improvement was provided to more than 1,000 people belonging to marginalised population groups.

In **Jordan**, FCA adapted a Finnish business training model to local conditions and piloted it in cooperation with Mercuria Business College. As a result of the course, 13 new business course graduates launched their business activities.

In **Greece**, a new innovative concept was developed for the psycho-social support of refugees, whereby the psychosocial load associated with displacement can be alleviated and young refugees can be assisted with integration into Greek society through yoga and entrepreneurship. The project reached 200 Greek and young refugees.

In **Sierra Leone**, 250 people accessed vocational studies and 600 landslide victims received humanitarian aid.

In **Liberia**, 175 people were provided training in activities for savings and loans. Furthermore, 37 women completed their studies in the following vocational fields: welding, small engine repairs, masonry, electrical work and carpentry. Upon graduation, the students completed traineeships related to the studies and received their diplomas. An FCA pilot project produced 24 tonnes of maize. Through this project, farmers gained income for the maize they cultivated. Part of the yield was resold, gaining additional income for the project beneficiaries and ensuring the continuation of the project.

In the **Central African Republic**, FCA entered into a cooperation agreement with the country's Ministry of Trade, Industry and Small and Medium-Sized Enterprises. A total of 200 people were provided business training by representatives of the Ministry. After completing this training, they were granted support for establishing small-scale business activities.

In **Somaliland**, 450 households (approximately 2,700 people) in seven different villages in the Togdheer area were benefited by a non-binding distribution of cash and 720 households (approximately 3,700 people) in 12 different villages participated in Cash for Work activities. In addition to this, 50 community leaders and members were benefited by disaster risk prevention training and the completed disaster risk prevention plans will benefit 12 villages (approximately 5,000 households and 35,000 people).

In **South Sudan**, 1,100 households in Yei and Fangak Counties received support in the form of cash. Thanks to this, the livelihoods of some 6,600 people were strengthened in the short term. Furthermore, 1,800 people in Awerial County gained access to production equipment required by their various trades (fishing equipment, seeds and tools). Moreover, they were provided training in basic fishing methods, fish processing and fish cultivation methods for the revitalisation of commercial activities. This work improved the long-term resilience of the people at the same time.

In **Kenya**, a feasibility study related to gums and resins was completed to serve as the basis for a future livelihood-related, cross-border project between Kenya and Somalia. The project will aim to increase the livelihoods of at least 30,000 households in both countries.

The programme in **Uganda** involved the training of 917 farmers (273 men, 644 women) in value chain development and analysis. The farmers were able to claim an additional 2,800 hectares of land for cultivation, increasing production by almost 600,000 kilograms.

The existing cooperation models between FCA and Women's Bank were scrutinised during 2017 in the light of the new FCA strategy and global programme. New projects being launched increasingly focus on the development of female-driven business activities. The role of vocational and entrepreneur training in projects has been strengthened. Having been well received both in Finland and in the project countries, the Skills Donation programme established itself in Women's Bank projects and in the FCA system of international volunteer work. The programme offered expert level volunteer support for Women's Bank work, especially in terms of micro-entrepreneurship and SME business model development.

Humanitarian Aid

The great number of protracted crises around the world was evident in FCA humanitarian aid work. Nearly all of the humanitarian aid programmes focused on supporting refugees or internally migrating people, for instance, in South Sudan, Uganda, Somaliland, Myanmar, Jordan, Greece, Syria and the Central African Republic.

In 2017 FCA provided emergency relief to areas and communities afflicted by drought in the countries of eastern Africa (South Sudan, Kenya and Somalia). Furthermore, when hundreds of thousands of people fled Myanmar in late 2017, FCA provided both monetary and expert aid to the ACT Alliance organisations for cooperation.

In 2017 FCA updated both the sub-strategy for humanitarian aid and the project guidelines. Strategy mobilisation already began in late 2017 with the development of country-level disaster preparedness and global HR preparedness work. In the field of humanitarian aid, FCA invested strongly in work content development, for instance, in the educational sector. Moreover, it strengthened connections with international networks, partners in cooperation and funding bodies. FCA is a strong operator in the global educational cluster and the connected preparedness team, where two FCA employees spend half of their yearly working time strengthening the UN cluster coordination of the educational sector in various disaster situations.

Development and Growth of the Organisation

At the end of 2017, FCA employed more than 400 people in 15 countries, mainly war zones and fragile areas. Challenges in finding and retaining professional staff continued especially in fragile operating environments.

The uncertainty of development aid, brought about by changes in the operating environment and the shift in focus of development cooperation to working on the private sector, inevitably influenced the daily operations of the FCA head office. During the year, new operational and financial instruments continued to be developed. Negotiations between FCA Investments Oy (FCAI), established by FCA in the previous year, and the Ministry for Foreign Affairs (MFA) progressed and at the end of the year the parties launched final loan negotiations to ensure FCAI capital. Preparations continued for investment activities that will begin in 2018. Omnia Education Partnerships Oy (OEP Oy), established in 2016, launched operations and the company's performance was positive.

In the area of advocacy, FCA engaged in direct dialogue with all MPs, ministers and other decision makers in Finland, and made several statements by request of Parliament Committees. Furthermore, FCA carried out several advocacy events, for instance, in conjunction with the UN General Assembly and the World Bank annual meeting. International advocacy work focused on the Right to Education, the Right to Peace and human rights issues. At the country offices, advocacy work supported the objectives of the programme work. FCA fundraising development continued favourably. The contribution of private donors and foreign public funding bodies especially continued to grow even though there were no sudden large-scale disasters during the year. Collaboration with several significant international funding bodies allowed FCA to expand its operations. Many governments of fragile nations are starting to see the added value of Finn Church Aid operations, which enables cooperation with new kinds of funding partners, such as development banks. Attention should continue to be paid to ensuring the availability of unrestricted internal funding in order to cover the mandatory FCA contribution to international funding, as well as to ensure sufficient resources for the development of innovations in the future. FCA is also continuing the dialogue with the MFA and international funding bodies about merging funding into larger programme ensembles increasing their effectiveness.

During the year, Finn Church Aid quality assurance work continued and the official certification of the organisation was approved by Core Humanitarian Standard Alliance in the spring.

FINANCES

The offices located in Cambodia, the Central African Republic, South Sudan, Somalia, Nepal, Myanmar and Uganda, which are treated as branches, are integrated into the accounts of the Finn Church Aid parent company. The consolidated accounts of the Finn Church Aid Group include the offices located in Liberia, Jordan, Haiti, Kenya, Sierra Leone and the United States. The financial information in the annual report is shown in the following order: group (group 2016), parent (parent 2016). Where the figures are the same for the group and the parent company in 2017, only one figure is shown.

The surplus for the 2017 financial year was €45,030.90 (deficit €286,255.18), the surplus €5,144.58 (deficit €286,255.18) and the equity totalled €13.0 million (€12.5 million) in the end of the year. Current receivables totalled €2.9 million (€4.0 million), €3.1 million (€4.4 million), of which advances paid to project partners accounted for €0.6 million (€1.5 million), €1.0 million (€2.0 million). Current liabilities totalled €6.8 million (€10.3 million), €6.3 million (€8.6 million), of which prepayments received accounted for €3.4 million (€7.7 million), €3.2 million (€6.4 million). The change in equity and prepayments received was caused, firstly, by the fact that parish sector donations to be transferred were previously included in advances paid, and secondly, by the fact that with the new accounting practices of 2017, other monies of the parish sector except budget contributions were transferred from the advances received of current liabilities to equity. Prepayments received in 2017 comprised project prepayments, including the budget contributions of parishes, received from institutional sources.

Income

Income for the financial year came to €44,275,757.91 (€34,391,533.60), €43,391,110.80 (€32,221,715.60), corresponding to an increase of 28.7% (group), 34.7% (parent) over the previous year. The share of funding from parishes was 18.6% (24.8%), 19.0% (26.5%), including proceeds from the Common Responsibility Campaign and operational subsidies from the Church Council. Funds from the Ministry for Foreign Affairs made up 20.7% (24.8%), 21.2% (26.5%) of the income, while international funding sources accounted for 32.4% (19.7%), 31.1% (14.3%) and private donors for 27.6% (30.1%), 28.1% (32.1%).

Funding from the parish sector totalled €8.2 million (€8.5 million). This included €3.9 million (€3.9 million) in budget contributions, €0.6 million (€0.5 million) in official church collections, €0.6 million (€0.9 million) in voluntary church collections and €0.7 million (€0.7 million) in other support. The Common Responsibility Campaign resulted in income of €1.4 million (€1.6 million) while the subsidy from the Church Council was €1.1 million (€1.0 million).

Funding from the Ministry for Foreign Affairs and from Finnish and international institutional funding sources totalled €23.5 million (€15.3 million), €22.7 million (€13.1 million). The Ministry for Foreign Affairs allocated €5.9 million (€5.8 million) to development cooperation work and €3.3 million (€2.8 million) to humanitarian aid work.

Income from the private sector was €12.2 million (€10.3 million).

Expenses

Expenses for the financial year totalled €44,230,727.01 (€34,667,788.77), €43,385,966.22 (€32,507,970.78), representing an increase of 27.5% (group), 33.5% (parent) over the previous year.

Aid work expenses accounted for €38.6 million (€29.1 million), €37.7 million (€27.0 million), including €3.4 million (€3.2 million) in programme planning, monitoring and development costs. Aid work support functions, i.e. communications, fundraising, stakeholder contacts and general administration, generated expenses of €5.7 million (€5.5 million).

Actual aid operations accounted for 87.2% (84.0%), 86.9% (83.0%) of all operating expenses, while aid work support functions took up 12.8% (16.0%), 13.1% (17.0%).

Salaries and compensation, including social costs, totalled €12.2 million (€11.1 million), €10.9 million (€9.6 million). During the period, FCA invested €0.4 million (€0.4 million), €0.3 million (€0.3 million) in upgrading computer systems and acquiring hardware. Depreciation on fixed assets amounted to €0.1 million (€0.1 million).

The distribution of aid work (including programme planning, monitoring and development costs) was as follows (€ million):

€ million	Group	Group
	2017	2016
Uganda	6.0	1.8
Nepal	4.8	1.9
Global projects	4.0	3.7
Somalia	3.8	3.1
South Sudan	3.3	2.3
Central African Republic	2.7	2.5
Greece	2.4	0.3
Jordan	1.9	2.1
Kenya	1.8	1.5
Myanmar	1.4	1.1
Cambodia	1.2	1.2
Liberia	1.1	1.0
Eritrea	0.8	0.6
Sierra Leone	0.6	0.8
Haiti	0.6	2.1
Syria	0.5	0.4
Others	1.7	2.7
Total	38.6	29.1

PERSONNEL

Overall, 326 (315), 277 (230) man-years were accumulated, of which 150 (148), 140 (134) were completed by personnel either in Helsinki or posted overseas from Finland. Local programme office personnel completed a further 176 (167), 138 (107) man-years. Temporary F2F and telefundraising personnel completed a total of 9 (9) man-years in temporary employment relationships.

Of all the man-years, 113 (114), 108 (96) took place under permanent contracts and 212 (200), 169 (134) under fixed-term contracts.

GOVERNANCE

The Finn Church Aid Foundation Board of Directors convened six times in 2017.

Until the spring meeting of 2017, the board comprised International Affairs Expert Tarja Kantola as Chair and the following ordinary members: Solicitor Tuomas Aho, Director Sixten Ekstrand, MP Pekka Haavisto, Secretary General Katri Korolainen, Church Counsellor Kimmo Kääriäinen, Bishop Tapio Luoma (Vice Chair), Director Ilkka Mattila, Journalist Reetta Meriläinen, Master of Science (Econ.) Ritva Ohmeroluoma, Vicar Olli-Pekka Silfverhuth, Work Sector Secretary Helena Tuominen and Commercial Counsellor Kent Wilska.

On 21 March 2017, the General Meeting of the Church Council appointed a new Board of Directors for Finn Church Aid for a three-year period lasting until the spring meeting of 2020. International Affairs Expert Tarja Kantola was chosen as Chair, and the following were chosen as new ordinary members: Doctor of Social Sciences Anna-Kaisa Ikonen, Adjunct Professor (development studies) Marjaana Jauhola, Vicar Juhani Lavanko, MP Aila Paloniemi, Theology Student Riikka Hietanen (née Piri) and Pastor for Multicultural Work Mark Saba. The term of office expired for the following ordinary

members: Katri Korolainen, Kimmo Kääriäinen, Ilkka Mattila, Helena Tuominen and Kent Wilska. The other ordinary members continued their terms on the Board.

The Board's expert consultants were Secretary General Mari-Anna Auvinen, Director Risto Jukko, Director, Kalle Kuusimäki and Executive Director Riina Nguyen.

CHANGES IN RULES

No amendments to the rules were made in 2017.

RELATED-PARTY TRANSACTIONS

The Finnish Foundations Act specifies in detail the ways in which foundations are allowed to work with related parties. The following persons are regarded as related parties of Finn Church Aid:

- The members of the board,
- The Executive Director and members of the Board of Directors,
- The auditor or the accounting firm employee in charge of the FCA audit
- The members of the administrations of field offices in countries where under local legislation these administrative bodies have decision-making power.

Additionally, related parties include the family members and other close relatives of the aforementioned persons.

The following organisations are also regarded as related parties:

- Evangelical Lutheran Church of Finland,
- The organisations or foundations controlled separately or jointly by one or more of the aforementioned parties.

Finn Church Aid has formulated guidelines for providing information on related-party transactions and these are published annually in the annual report of the Foundation. Defined in accordance with the Foundations Act, the Finn Church Aid circle of related parties is very extensive. For this reason it is not possible to exhaustively list every single related party.

TABLE OF RELATED PARTIES

Transactions and financial benefits, €	Nature of relationship				
	1	2	3	4	5
A Executive salaries and compensation	-	€6,615	€496,537	-	-
B Contracts and agreements	€745,752	€38,003	-	-	-
C Financial support granted	-	-	-	-	-
D Granted loans; liabilities and undertakings	-	-	-	-	-

EXPLANATIONS OF TRANSACTIONS AND FINANCIAL BENEFITS

A	The salaries, compensation and pension obligations indicated under this item are related to the posts of the following parties: the members and deputy members of the Board of Directors and the Management Team of the Foundation, the managing director and his or her deputy, and any authorised representative or other person taking part in the management of the Foundation. The information indicated under this item includes but is not limited to meeting fees, annual pay, salaries, consulting fees and other monetary compensation paid to the directors of the Foundation and those involved in its management in exchange for the work they do for the Foundation.
B	The contracts and agreements indicated under this item include but are not limited to rental, consulting and sales contracts and agreements. All the commercial transactions carried out between the Foundation and its related parties that are not indicated under any other item are included here.
C	Financial support can include but is not limited to grants, subsidies and awards, as well as other wholly or partly gratuitous benefits.
D	The information under this item indicates not only the sum of loans, liabilities and other such engagements and undertakings in euros, but also their main terms and conditions, as well as how they are related to the fulfilment of the mission, the operating models or the financial management of the Foundation.

NATURE OF RELATIONSHIP

1	The founder of the Foundation and any party with decision-making power in the Foundation, as well as any subsidiary company or subsidiary foundation of these, or of the Foundation itself.
2	The members and deputy members of the Board of Directors and the Management Team of the Foundation and the companies and foundations defined in point 1, as well as their managing directors, deputy managing directors, general partners and auditors.
3	An authorised representative of the Foundation and any other person taking part in the management of the Foundation.
4	The family members* of the persons defined in points 1–3.
5	A company or foundation controlled separately or jointly by any of the persons defined in points 1–4.

*Spouses or cohabiting partners, the children of any such person and his or her spouse or partner, the spouses or partners and descendants of all such children, and the parents, grandparents and great-grandparents of the said person and his or her spouse or partner.

OUTLOOK

Global structural changes taking place in development cooperation will have a significant impact on the operations of Finn Church Aid in coming years. The organisation must further develop new operating models and identify novel financial instruments in order to fulfil its mission, vision and objectives. For example, the strong prioritisation of funding from the private sector will not only continue, but also grow in some countries. In its operations, Finn Church Aid must be able to demonstrate the clear added value it brings and the experience it has of operating in the developing world, particularly under fragile conditions. It will continue to deepen the alliance with international operators, such as UN organisations, development banks, ACT partner organisations and other NGO actors.

The new strategy was confirmed in May 2016 and its implementation was launched at the beginning of 2017.

FINN CHURCH AID

PROFIT AND LOSS ACCOUNT		Group	Group	Parent	Parent
		1 Jan. – 31 Dec. 2017	1 Jan. – 31 Dec. 2016	1 Jan. – 31 Dec. 2017	1 Jan. – 31 Dec. 2016
INCOME FROM OPERATIONS					
Aid activities					
Income					
	From the government	9 182 608,38	8 525 882,65	9 182 608,38	8 525 882,65
	Parishes	3 874 107,10	7 503 296,56	3 874 107,10	7 503 296,56
	From international funding sources	14 322 085,78	6 753 280,22	13 488 758,20	4 609 206,21
	Other income	51 097,11	64 146,45	39 663,89	53 302,46
		<u>27 429 898,37</u>	<u>22 846 605,88</u>	<u>26 585 137,57</u>	<u>20 691 687,88</u>
Expenses					
	Direct aid	-18 687 617,84	-13 806 393,02	-21 800 287,57	-14 594 174,23
	Personnel	-9 089 267,62	-8 161 405,93	-7 593 697,54	-6 709 541,75
	Other expenses	-10 775 875,33	-7 178 632,11	-8 314 014,89	-5 687 797,08
		<u>-38 552 760,79</u>	<u>-29 146 431,05</u>	<u>-37 708 000,00</u>	<u>-26 991 513,06</u>
	Deficit	-11 122 862,43	-6 299 825,18	-11 122 862,43	-6 299 825,18
Support functions for aid activities					
Communications and stakeholder relations					
Income					
		280 270,37	189 819,52	280 270,37	189 819,52
Expenses					
	Personnel	-1 143 384,87	-977 172,92	-1 143 384,87	-977 172,92
	Other expenses	-1 063 848,84	-704 497,09	-1 063 848,84	-704 497,09
		<u>-2 207 233,71</u>	<u>-1 681 670,01</u>	<u>-2 207 233,71</u>	<u>-1 681 670,01</u>
	Deficit	-1 926 963,34	-1 491 850,49	-1 926 963,34	-1 491 850,49
General administration					
Income					
		47 112,22	42 869,53	47 112,22	42 869,53
Expenses					
	Personnel	-1 843 432,93	-1 224 290,97	-1 843 432,93	-1 224 290,97
	Other expenses	-1 893 013,51	-1 675 406,57	-1 893 013,51	-1 675 406,57
	Appropriation to sectors	2 261 093,05	1 889 735,86	2 261 093,05	1 889 735,86
		<u>-1 475 353,39</u>	<u>-1 009 961,68</u>	<u>-1 475 353,39</u>	<u>-1 009 961,68</u>
	Deficit	-1 428 241,17	-967 092,15	-1 428 241,17	-967 092,15
	Deficit from operations	-14 478 066,94	-8 758 767,82	-14 478 066,94	-8 758 767,82
Fundraising					
Income					
	Donations from private persons	11 878 889,14	9 255 655,31	11 878 889,14	9 255 655,31
	Donations from companies and orgar	803 263,15	784 069,45	803 263,15	769 169,45
	Donations from parishes	2 786 181,57	0,00	2 786 181,57	0,00
	Income to be transferred	483 806,96	7 610 097,58	483 806,96	7 610 097,58
	Other income	62 565,06	4 666,42	62 565,06	4 666,42
		<u>16 014 705,88</u>	<u>17 654 488,76</u>	<u>16 014 705,88</u>	<u>17 639 588,76</u>
Expenses					
		-1 994 444,79	-2 838 793,38	-1 994 444,79	-2 823 893,38
	Surplus	14 020 261,09	14 815 695,38	14 020 261,09	14 815 695,38
INVESTMENTS AND FUNDING OPERATIONS					
	Share of profit in partly owned companies	39 886,32	0,00	0,00	0,00
	Income	4 419,82	7 415,20	4 419,82	7 415,20
	Expenses	-934,33	-932,65	-934,33	-932,65
	Surplus	<u>43 371,81</u>	<u>6 482,55</u>	<u>3 485,49</u>	<u>6 482,55</u>
	Surplus/Deficit	-414 434,04	6 063 410,11	-454 320,36	6 063 410,11
SUBSIDIES					
	Subsidy from the Church Council	<u>969 320,00</u>	<u>956 327,24</u>	<u>969 320,00</u>	<u>956 327,24</u>
	Profit/loss before fund transfers	554 885,96	7 019 737,35	514 999,64	7 019 737,35
FUND TRANSFERS					
	Donation Fund	-1 010 334,72	-3 126 511,76	-1 010 334,72	-3 126 511,76
	Disaster Fund	993 210,27	-2 512 719,74	993 210,27	-2 512 719,74
	Women's Bank Fund	-492 606,00	-1 666 704,53	-492 606,00	-1 666 704,53
	Aid Fund	-124,61	-56,50	-124,61	-56,50
		<u>-509 855,06</u>	<u>-7 305 992,53</u>	<u>-509 855,06</u>	<u>-7 305 992,53</u>
	SURPLUS/DEFICIT FOR CURRENT PERIOD	<u>45 030,90</u>	<u>-286 255,18</u>	<u>5 144,58</u>	<u>-286 255,18</u>

FINN CHURCH AID

BALANCE SHEET	Group 31.12.2017	Group 31.12.2016	Parent 31.12.2017	Parent 31.12.2016
Assets				
NON-CURRENT ASSETS				
Intangible assets				
IT Software	0,00	0,00	0,00	0,00
Tangible assets				
Machinery and equipment	119 762,27	151 906,26	119 762,27	151 906,26
INVESTMENTS				
Shares and other interests	92 886,32	3 000,00	53 000,00	3 000,00
Other receivables	6 304 942,92	7 152 942,92	6 304 942,92	7 152 942,92
Total investments	6 397 829,24	7 155 942,92	6 357 942,92	7 155 942,92
CURRENT ASSETS				
RECEIVABLES				
Current				
Prepayments for projects	614 289,40	1 459 137,92	951 806,37	1 986 522,06
Receivables carried forward	1 667 474,93	1 276 466,79	1 630 911,88	1 208 089,74
Other receivables	584 780,90	1 224 478,88	559 827,37	1 172 566,35
Total current receivables	2 866 545,24	3 960 083,59	3 142 545,62	4 367 178,15
Cash in hand and at banks	10 438 008,69	11 482 806,06	9 634 573,97	9 339 066,32
TOTAL ASSETS	19 822 145,44	22 750 738,82	19 254 824,78	21 014 093,65
EQUITY AND LIABILITIES				
EQUITY				
Subscribed capital	33 637,59	33 637,59	33 637,59	33 637,59
Other funds allocated to specific activities				
Donation Fund	4 136 846,48	3 126 511,76	4 136 846,48	3 126 511,76
Disaster funds	1 519 509,47	2 512 719,74	1 519 509,47	2 512 719,74
Women's Bank	2 159 310,53	1 666 704,53	2 159 310,53	1 666 704,53
Aid Fund 1985	117 517,38	117 392,77	117 517,38	117 392,77
Surplus from previous periods	5 006 572,27	5 292 827,45	5 006 572,27	5 292 827,45
Surplus/Deficit for current period	45 030,90	-286 255,18	5 144,58	-286 255,18
Total equity	13 018 424,62	12 463 538,66	12 978 538,30	12 463 538,66
LIABILITIES				
Current				
Prepayments received	3 404 339,12	7 726 625,47	3 206 914,94	6 420 784,56
Accounts payable	584 899,18	406 405,52	438 911,32	343 699,11
Other debts	1 028 292,61	456 309,64	1 012 947,79	455 012,12
Accrued liabilities	1 786 189,91	1 697 859,53	1 617 512,43	1 331 059,20
Total liabilities	6 803 720,82	10 287 200,16	6 276 286,48	8 550 554,99
TOTAL EQUITY AND LIABILITIES	19 822 145,44	22 750 738,82	19 254 824,78	21 014 093,65

NOTES TO THE FINANCIAL STATEMENTS OF 31 DECEMBER 2017

1. NOTES TO THE FINANCIAL STATEMENTS

Non-current assets and depreciation

Depreciation according to the parent plan is calculated as straight-line depreciation in accordance with the duration of the estimated financial effect of the acquisition cost. The depreciation period for IT equipment and software is four years, and for machinery and equipment five years.

Project income recognition

Project income is recognised as and when aid funds are used for project implementation. Unused project funds are recorded as 'Prepayments for projects' in the Finn Church Aid balance sheet receivables. Information about unused project funds is based on unaudited financial data provided by partners.

Change in accounting practices

Previously, all targeted parish income received, that was unused during the financial period, was transferred for use in coming periods and recorded in the balance sheet as 'Prepayments received' under liabilities.

With the exception of budget contributions, the opening balances of targeted donations on 1 January 2017 shown under prepayments received were transferred to income under fundraising. At the end of the current period on 31 December 2017, these unused targeted donations are shown in the financial statements under Donationfund transfers and in the balance sheet under equity funds. However, the budget contributions in parish income are treated as donations. A similar change took place in 2016 with regard to targeted donations received from the private sector.

Branch offices

Finn Church Aid offices in Cambodia, the Central African Republic, South Sudan, Somalia, Uganda, Myanmar and Nepal are treated as branches of Finn Church Aid.

The expenses in foreign currencies from these offices are consolidated into the Finn Church Aid profit and loss account using a weighted average exchange rate and the income is consolidated using the exchange rate of the day of receipt. Advances paid are entered in the balance sheet at the exchange rate of the date on which they were incurred. Branch office money in hand and at bank is valued at the exchange rate of the balance sheet date, and the acquisition cost of non-current assets is recorded as expenses.

Other current liabilities denominated in foreign currencies are valued at the exchange rate of the balance sheet date.

Debts between one office and another are other debts and receivables between these offices are other receivables.

Group

Offices in Jordan, Haiti, Liberia, Sierra Leone, Kenya and the USA are treated as independently accountable entities. The financial data of independently accountable entities is consolidated into the group financial statements, eliminating the receivables and debts between the entities, as well as internal business transactions.

The income and expenses in foreign currencies from these entities are consolidated into the Finn Church Aid profit and loss account, using the current period's average exchange rate while balance sheet items are valued at the exchange rate of the balance sheet date. The acquisition cost of non-current assets is recorded as expenses.

Subsidiary company FCA Investments Ltd is not consolidated in the group financial statements because it did not have any substantial operations in 2017. The 2017 profit/loss of FCA Investments Oy, the amount of voluntary reserves and its change was 0 euros. The amount of equity was 2,120 euros and the amount of liabilities was 380 euros, which comprised internal debit of the group.

Affiliated company Omnia Education Partnerships Oy is consolidated in the group financial statements.

Other information

Investments held within capital redemption policies that are capital-guaranteed on their due date are recorded at their acquisition cost in the balance sheet under non-current assets.

Donations bequeathed in wills are recognised as income once the bequeathed receivable becomes legally valid.

NOTES TO THE FINANCIAL STATEMENTS OF 31 DECEMBER 2017

2. NOTES TO THE PROFIT AND LOSS ACCOUNT

	Group	Group	Parent	Parent
	2017	2016	2017	2016
TOTAL INCOME AND EXPENSES				
Income	44 785 612,97	41 697 526,12	43 900 965,86	39 527 708,13
Operating costs				
Aid activities	-38 552 760,79	-29 146 431,05	-37 708 000,00	-26 991 513,06
Domestic support functions and administration	-5 677 966,22	-5 531 357,72	-5 677 966,22	-5 516 457,72
Total expenses	-44 230 727,01	-34 677 788,77	-43 385 966,22	-32 507 970,78
Transfers to funds	-509 855,06	-7 305 992,53	-509 855,06	-7 305 992,53
Profit/Loss for the current period	45 030,90	-286 255,18	5 144,58	-286 255,18
INCOME FROM OPERATIONS				
Revenue from the government for aid activities				
Ministry for Foreign Affairs (MFA) framework agreement	5 260 000,00	5 260 000,00	5 260 000,00	5 260 000,00
Other MFA	634 229,77	513 106,77	634 229,77	513 106,77
MFA for humanitarian work	3 288 378,61	2 752 775,88	3 288 378,61	2 752 775,88
Total	9 182 608,38	8 525 882,65	9 182 608,38	8 525 882,65
Revenue from the EU for aid activities				
EU support for development cooperation	2 028 835,43	719 178,43	2 028 835,43	719 178,43
EU for humanitarian work	1 389 739,84	142 344,83	1 389 739,84	142 344,83
Total	3 418 575,27	861 523,26	3 418 575,27	861 523,26
Income from international funding sources				
ACT	919 411,81	403 303,90	919 411,81	403 303,90
United Nations	2 089 769,39	185 403,02	2 089 769,39	185 403,02
IDB	101 003,87	982 563,36	0,00	0,00
USAID	96 646,13	623 958,92	66 996,48	75 717,72
KAICIID	78 357,45	137 174,67	78 357,45	137 174,67
UNICEF	6 580 957,68	2 067 843,37	5 916 297,65	1 482 337,65
Other international funding	925 492,42	1 398 408,34	876 045,16	1 370 644,61
Total	10 791 638,75	5 798 655,58	9 946 877,94	3 654 581,57
Other public aid	123 304,99	93 101,38	123 304,99	93 101,38
Revenue from parishes for aid activities				
Budget contributions	3 874 107,10	3 865 133,28	3 874 107,10	3 865 133,28
Official collections	0,00	518 556,69	0,00	518 556,69
Voluntary collections	0,00	905 564,53	0,00	905 564,53
Other revenue from parishes	0,00	655 489,41	0,00	655 489,41
Common Responsibility Campaign	0,00	1 558 552,65	0,00	1 558 552,65
Total	3 874 107,10	7 503 296,56	3 874 107,10	7 503 296,56
Other income for aid activities	86 776,11	107 015,98	86 776,11	96 171,99
Income from aid activity support functions				
Ministry of Education support for youth work	131 270,58	48 729,42	131 270,58	48 729,42
Ecclesiastical Board support for youth work	85 000,00	85 000,00	85 000,00	85 000,00
Public donations	20 000,00	23 336,40	20 000,00	23 336,40
Other income	43 999,79	32 753,70	43 999,79	32 753,70
Total	280 270,37	189 819,52	280 270,37	189 819,52
TOTAL INCOME FROM OPERATIONS	27 757 280,96	23 079 294,92	26 912 520,16	20 924 376,93

NOTES TO THE FINANCIAL STATEMENTS OF 31 DECEMBER 2017

FUNDRAISING	2017	2016	2017	2016
Donations from private persons	11 645 479,56	8 958 047,02	11 645 479,56	8 958 047,02
Sales of products	71 685,43	30 799,53	71 685,43	30 799,53
Red Nose Day collection	203 185,25	266 808,76	203 185,25	266 808,76
Other indemnities	21 103,96	4 666,42	21 103,96	4 666,42
Income transferred	483 806,96	7 610 097,58	483 806,96	7 610 097,58
Total	12 425 261,16	16 870 419,31	12 425 261,16	16 870 419,31
Donations from companies and organisations	803 263,15	784 069,45	803 263,15	769 169,45
Donations from parishes	2 786 181,57	0,00	2 786 181,57	0,00
TOTAL FUNDRAISING INCOME	16 014 705,88	17 654 488,76	16 014 705,88	17 639 588,76
OTHER INCOME				
Church Council subsidy	969 320,00	956 327,24	969 320,00	956 327,24
Share of profit in partly owned companies	39 886,32	0,00	0,00	0,00
Investments and funding operations	4 419,82	7 415,20	4 419,82	7 415,20
	1 013 626,14	963 742,44	973 739,82	963 742,44
MOVEMENTS IN FUNDS	-509 855,06	-7 305 992,53	-509 855,06	-7 305 992,53

AVERAGE NO. OF PERSONNEL	2017	2016	2017	2016
International programme activities				
Helsinki	46	38	46	38
Posted overseas	40	47	30	30
Recruited onsite	178	161	151	104
Director's office	5	4	5	4
Funding and communications	41	38	41	38
Finance and IT	12	12	12	12
HR and administration	12	11	12	11
Total	334	311	297	237
PERSONNEL EXPENSES	2017	2016	2017	2016
Salaries and remuneration paid from Finland	7 799 749,88	7 170 326,79	7 799 749,88	7 170 326,79
Pension costs paid from Finland	995 878,34	930 942,41	995 878,34	930 942,41
Other social costs paid from Finland	202 198,79	257 438,84	202 198,79	257 438,84
Salaries and social costs paid from country offices	3 247 370,54	2 697 911,50	1 952 147,94	1 204 641,22
	12 245 197,55	11 056 619,54	10 949 974,95	9 563 349,26

Other social costs include statutory salary-linked payments. Pension cover for the foundation's staff is managed by external insurance companies. The social costs linked to each country office's salaries vary depending on the local legislation.

Board meeting fees	2017	2016	2017	2016
Total	11 955,00	11 010,00	11 955,00	11 010,00

The meeting fees for 2017 comply with the meeting fees of the Church Council for Foreign Affairs, ratified by the Church Council College of Officials as follows: 445 euros per meeting for the Chairman of the Board and 135 euros for ordinary members.

Auditors' fees	2017	2016	2017	2016
Audit	20 859,90	18 336,50	20 859,90	18 336,50
Assignments	17 143,00	12 384,50	17 143,00	12 384,50
Tax counselling	3 436,04	0,00	3 436,04	0,00
Local auditing fees for country offices	168 784,39	153 301,95	109 309,90	100 782,77
Acquisitions entered as expenses during the current period	2017	2016	2017	2016
IT software and licences	187 662,77	218 015,12	183 406,75	164 804,47
Machinery, IT hardware and equipment	216 961,41	139 172,48	142 666,28	113 656,75

NOTES TO THE FINANCIAL STATEMENTS OF 31 DECEMBER 2017

3. NOTES TO THE BALANCE SHEET

INTANGIBLE AND TANGIBLE ASSETS	2017	2016	2017	2016
IT SOFTWARE				
Acquisition expenses at the beginning of the period on 1 Jan.	537 676,28	537 676,28	537 676,28	537 676,28
Additions during the financial period 1 Jan. – 31 Dec.	0,00	0,00	0,00	0,00
Acquisition expenses at the end of the period on 31 Dec.	537 676,28	537 676,28	537 676,28	537 676,28
Accrued depreciation according to plan on 1 Jan.	-537 676,28	-536 462,05	-537 676,28	-536 462,05
Planned depreciation for the period on 31 Dec.	0,00	-1 214,23	0,00	-1 214,23
Book value on 31 Dec.	0,00	0,00	0,00	0,00
IT HARDWARE				
Acquisition expenses on 1 Jan.	514 811,25	514 811,25	514 811,25	514 811,25
Additions during the financial period 1 Jan. – 31 Dec.	0,00	0,00	0,00	0,00
Deductions during the financial period 1 Jan. – 31 Dec.	0,00	0,00	0,00	0,00
Acquisition expenses on 31 Dec.	514 811,25	514 811,25	514 811,25	514 811,25
Accrued depreciation according to plan on 1 Jan.	-514 811,25	-510 654,10	-514 811,25	-510 654,10
Planned depreciation for the period on 31 Dec.	0,00	-4 157,15	0,00	-4 157,15
Book value on 31 Dec.	0,00	0,00	0,00	0,00
MACHINERY AND EQUIPMENT				
Acquisition expenses on 1 Jan.	612 036,18	576 797,86	612 036,18	576 797,86
Additions during the financial period 1 Jan. – 31 Dec.	21 600,68	35 238,32	21 600,68	35 238,32
Deductions during the financial period 1 Jan. – 31 Dec.	0,00	0,00	0,00	0,00
Acquisition expenses on 31 Dec.	633 636,86	612 036,18	633 636,86	612 036,18
Accrued depreciation according to plan on 1 Jan.	-460 129,92	-412 345,49	-460 129,92	-412 345,49
Planned depreciation for the period on 31 Dec.	-53 744,67	-47 784,43	-53 744,67	-47 784,43
Book value on 31 Dec.	119 762,27	151 906,26	119 762,27	151 906,26
PLANNED DEPRECIATION				
	2017	2016	2017	2016
IT software	0,00	-1 214,23	0,00	-1 214,23
IT hardware, machinery and equipment	-53 744,67	-51 941,58	-53 744,67	-51 941,58
	-53 744,67	-53 155,81	-53 744,67	-53 155,81
SHARES AND OTHER INTERESTS				
	2017	2016	2017	2016
FCA Investments, Helsinki, 100%	2 500,00	2 500,00	2 500,00	2 500,00
Omnia Education Partnerships Oy, 20%	50 500,00	500,00	50 500,00	500,00
	53 000,00	3 000,00	53 000,00	3 000,00
OTHER RECEIVABLES				
	2017	2016	2017	2016
Market value	6 404 426,64	7 080 489,97	6 404 426,64	7 080 489,97
Book value	6 304 942,92	7 152 942,92	6 304 942,92	7 152 942,92
Difference	99 483,72	-72 452,95	99 483,72	-72 452,95
Other receivables are investments held within capital redemption policies that are capital-guaranteed on their due date.				
PREPAYMENTS FOR PROJECTS				
	2017	2016	2017	2016
Receivables from partners	612 629,14	1 457 964,00	950 146,11	1 985 348,24
Other prepayments	1 660,26	1 173,82	1 660,26	1 173,82
	614 289,40	1 459 137,82	951 806,37	1 986 522,06
The foundation's project partners and independently accountable country offices notify Finn Church Aid of the portion of the funds allocated to them which was unused on the balance sheet date. This portion is entered in the balance sheet under activated project funds. This data is taken from unaudited reports.				
RECEIVABLES CARRIED FORWARD				
	2017	2016	2017	2016
Receivables from KELA, 2016–2017	66 925,00	33 075,00	66 925,00	33 075,00
Insurance premium receivables	25 106,73	170 339,77	25 106,73	170 339,77
Donation receivables carried forward	668 292,40	457 314,88	668 292,40	457 314,88
Aid prepayments	870 436,68	517 283,06	870 436,68	517 283,06
Deferred interest	0,00	6 980,01	0,00	6 980,01
Other receivables carried forward	36 714,12	91 474,07	151,07	23 097,02
	1 667 474,94	1 276 466,79	1 630 911,88	1 208 089,74

NOTES TO THE FINANCIAL STATEMENTS OF 31 DECEMBER 2017

OTHER RECEIVABLES	584 780,90	1 224 478,88	559 827,37	1 172 566,35
CHANGES IN EQUITY	2017	2016	2017	2 016
Basic capital	33 637,59	33 637,59	33 637,59	33 637,59
Other funds allocated to specific activities	2017	2016	2017	2 016
Donation Fund, opening balance on 1 Jan.	3 126 511,76	0,00	3 126 511,76	0,00
Donation Fund capital on 31 Dec.	4 136 846,48	3 126 511,76	4 136 846,48	3 126 511,76
Disaster Fund, opening balance on 1 Jan.	2 512 719,74	0,00	2 512 719,74	0,00
Disaster Fund capital on 31 Dec.	1 519 509,47	2 512 719,74	1 519 509,47	2 512 719,74
Women's Bank Fund capital on 1 Dec.	1 666 704,53	0,00	1 666 704,53	0,00
Women's Bank Fund capital on 31 Dec.	2 159 310,53	1 666 704,53	2 159 310,53	1 666 704,53
Aid Fund, opening balance on 1 Jan.	117 392,77	117 336,26	117 392,77	117 336,26
Aid Fund capital on 31 Dec.	117 517,38	117 392,77	117 517,38	117 392,77

Other targeted private and parish sector income used for development cooperation is recorded under Donation Fund.

With the help of Disaster Fund monies, Finn Church Aid can respond to sudden man-made or natural disasters by delivering help quickly.

With the help of the Women's Bank Fund, support is provided to the entrepreneurship and self-reliant livelihood of women in developing countries.

One-half of the Aid Fund's annual interest income is added to the capital and one-half is used for aid work. The donor wishes to remain anonymous. The initial capital for the fund was donated in 1985.

	2017	2016	2017	2016
Surplus from previous periods on 1 Jan.	5 006 572,27	5 634 874,88	5 006 572,27	5 634 874,88
Return of received aid	0,00	-342 047,43	0,00	-342 047,43
Surplus from previous periods on 31 Dec.	<u>5 006 572,27</u>	<u>5 292 827,45</u>	<u>5 006 572,27</u>	<u>5 292 827,45</u>
Surplus/Deficit for current period	45 030,90	-286 255,18	5 144,58	-286 255,18
EQUITY ON 31 DEC.	13 018 424,62	12 463 538,66	12 978 538,30	12 463 538,66

NOTES TO THE FINANCIAL STATEMENTS OF 31 DECEMBER 2017

PREPAYMENTS RECEIVED	2017	2016	2017	2016
MFA Humanitarian Assistance unit	1 556 612,25	1 744 990,86	1 556 612,25	1 744 990,86
MFA UN and General Global Affairs unit	0,00	74 610,38	0,00	74 610,38
Other MFA	73 871,45	105 857,87	73 871,45	105 857,87
EU	499 561,62	1 588 092,61	499 561,62	1 588 092,61
Other international funding parties	711 952,55	283 519,82	766 825,51	273 649,57
UNICEF	284 148,00	1 680 597,18	31 850,86	1 499 071,01
IDB	0,00	1 114 444,49	0,00	0,00
Other public aid	12 329,37	101 270,58	12 329,37	101 270,58
ACT	113 437,60	428 913,90	113 437,60	428 913,90
Parishes	152 426,28	604 327,78	152 426,28	604 327,78
Total	3 404 339,12	7 726 625,47	3 206 914,94	6 420 784,56

Other prepayments received comprise aid targeted at specific projects.

ACCRUALS AND DEFERRED INCOME	2017	2016	2017	2016
Holiday pay liabilities	1 244 250,16	1 077 321,61	1 244 250,16	1 077 321,61
Statutory insurance premium liabilities	73 987,82	28 590,06	73 987,82	28 590,06
Debts to projects	257 386,73	178 356,09	257 386,73	178 356,09
Other accruals and deferred income	210 565,20	413 591,77	41 887,72	46 791,44
	1 786 189,91	1 697 859,53	1 617 512,43	1 331 059,20

LEASING LIABILITIES

Open leases, rental of multifunction printers	2017	2016	2017	2016
Total amounts payable (excl. VAT)	2 509,84	5 019,68	2 509,84	5 019,68
Due in the next financial year				
Due later	0,00	2 509,84	0,00	2 509,84

RENT LIABILITY ON BUSINESS PREMISES

Eteläranta 8, 00130 Helsinki	2017	2016	2017	2016
Due in the next financial year	573 052,32	561 816,00	573 052,32	561 816,00
Due later	3 418 285,19	3 991 337,51	3 418 285,19	3 991 337,51

NOTES TO THE FINANCIAL STATEMENTS OF 31 DECEMBER 2017

List of accounting books and document types

The Foundation's nominal ledger accounting is kept in the MS Dynamics NAV financial administration system.
 The recycling system of purchase invoices is Opus Capita.
 The recycling system of travelling and expense invoices is M2.

Financial Statements	TP	Financial Statements
Book of first entry and nominal ledger		Electronic
Ledgers		Computerised bookkeeping
Bank documents	Nordea Ban Nordea Bank Aktia Bank Aktia Bank OP Bank Helsinki OP Bank Sampo Banl Danske Bank SHB Handelsbanken Tapiola Ban S Bank Nooa Bank Nooa Bank Pop Suupohja OP Bank ÅAB Ålandsbanken Oma Säästt Oma Säästöpankki	Electronic Electronic Electronic Electronic Electronic Electronic Electronic Electronic Electronic Electronic
Petty cash	Petty cash	Electronic
Purchase invoices	OPUS PUR Opus invoices Purchase in Purchase invoices Purchase re Purchase refund invoic Purchase p: Purchase invoice payn	Electronic Electronic Electronic Electronic
M2 travelling and expense invo	MKAKSI	Electronic
Sales invoices	Sales invoic Sales invoices Sales refund Sales refund invoices	Electronic
Salary receipts	Salaries 17	Electronic
Memorandum receipts	Memorandum 17	Electronic
Corrective receipts	Correction 17	Electronic
E-Invoices	TITOEL Tito e-invoices	Electronic

FINN CHURCH AID**DATE AND SIGNATURES TO THE FINANCIAL STATEMENTS AND ANNUAL REPORT**

Helsinki, 27 March 2018

Tarja Kantola, Chair_____
Tapio Luoma, Vice Chair_____
Tuomas Aho_____
Sixten Ekstrand_____
Pekka Haavisto_____
Riikka Hietanen_____
Anna-Kaisa Ikonen_____
Marjaana Jauhola_____
Juhani Lavanko_____
Reetta Meriläinen_____
Ritva Ohmeroluoma_____
Aila Paloniemi_____
Mark Saba_____
Olli-Pekka Silfverhuth_____
Jouni Hemberg, Executive Director**FINANCIAL STATEMENT ENTRY**

A report has today been issued concerning the audit performed.

_____, _____ 2018

KPMG Oy Ab, Authorised Public Accounting Firm

Heidi Vierros
Authorised Public Accountant in Finland