

FINN CHURCH AID FOUNDATION

FINANCIAL STATEMENTS AND ANNUAL REPORT

FOR THE PERIOD

1 January 2018 – 31 December 2018

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FINN CHURCH AID FOUNDATION ANNUAL REPORT 2018

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 aid and advocacy work. During the year, the global strategy of the FCA was updated and investment activity was added as the fourth form of activity. 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, the FCA complies with international humanitarian principles, according to which anyone affected by disaster or conflict has the right to receive assistance and protection, without exceptions.

CHANGES IN THE OPERATING ENVIRONMENT

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

The principles of sustainable development form the mutual goals of work done by the various nations and the UN, but also by other development actors. These are the principles that guide the operations of the FCA as well. The entry of individual operators is in line with the principles of sustainable development. Its share has also increased both nationally and internationally, as well as in the operations of the FCA. The work of many decades with women's micro-entrepreneurship has expanded to include small and medium sized enterprise (SME) loans and technical support. The role of vocational education and training and particularly entrepreneur training has proven fruitful. "From learning to earning" is the motto of the work we are doing with women and young people.

The capital base of the FCA continued to progress favourably in 2018 as well. The number of private donations continued to grow. Additionally, international funding bodies continued to show interest in the operations of the FCA.

FINN CHURCH AID OPERATING COUNTRIES 2018

At the beginning of 2018, Finn Church Aid had country-specific programmes in 14 countries and halted a programme in one country.

Africa	Asia	Middle East	Europe
Eritrea, South Sudan, Kenya, Central African Republic, Liberia, Uganda, Somalia	Cambodia, Myanmar, Nepal	Israel and Palestinian territories (IOPT), Jordan, Syria	Greece (discontinued in 2018)

In addition to the aforementioned countries, Finn Church Aid carried out humanitarian assistance programme work in Bangladesh. Furthermore, the Network for Religious and Traditional Peacemakers had projects in several countries (e.g. North-East Asia) where the FCA has no operations. The FCA serves as the secretariat of the Network. In Finland, our peace work focused on efforts with immigrants and work for the prevention of violent extremism.

FINN CHURCH AID OPERATIONS BY THEME

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 northern Shan, **Myanmar** we supported the schooling of 1,700 students in 23 refugee camps, for instance, by distributing study materials and teaching disaster risk reduction in schools. In the Taunggyi area, a new vocational education and training project began for young people who had dropped out of school. The project also includes advocacy work with local authorities, as well as the establishment of community groups to support education and training. Furthermore, a new student counselling project began at the monastery schools situated in the Yangon and Taunggyi areas. The project aims to develop student counselling plans and information materials, among other things.

In **Nepal**, we built and repaired toilets and improved the availability of drinking water in 83 schools that had been affected by floods. The FCA distributed 116 early childhood education material packages and 289 teaching material packages, as well as school supplies for 11,536 students. Additionally, 365 women and young people participated in vocational education and training. Moreover, the new student counselling material for vocational education and training was completed.

In **Cambodia**, we expanded student counselling to almost all (nine out of ten) of the technical upper secondary schools. Thus, we provided student counselling in a total of 28 schools situated in Battambang. The student counsellors provided classroom counselling to 8,290 students (54% girls) and personal counselling to 1,000 students (53% girls). Cooperation between the schools and the job markets was carried out by arranging a two-day career fair that attracted more than 4,000 visitors. Of these visitors, 900 were lower secondary school students. The students became acquainted with 55 social enterprises and private businesses, as well as with the activities of the educational institutions. They also participated in workshops where they learned to identify their strengths and make educational and career choices.

In **Eritrea**, we continued efforts for the development of teacher training. Some 130 teacher educators participated in vocational training sessions that targeted teachers. Seven of them participated in an academic exchange programme in Finland. A total of 49 early childhood educators, university teachers and officials participated in in-service training on early childhood education focused on special education. Finn Church Aid provided support to 27 teacher training administrators and middle management specialists in strengthening their administrative competence by giving them training in managerial skills and the management of higher education institutions. Additionally, the FCA supported research related to educational administration and provided support to teachers at another teacher training faculty by teaching them qualitative research skills. Moreover, the FCA supported the publishing of joint articles. The FCA supported teaching within a school for the deaf by offering 12 teaching and non-teaching members of the school staff vocational in-service training. This was of benefit to all 84 of the school's students. The FCA also supported the education of hearing-impaired children through the acquisition of materials and books. We engaged in advocacy work integrated with our R2QE efforts and thereby promoted Finn Church Aid efforts in Eritrea, but also beyond its borders: for instance, in the EU, in Geneva and among the UN actors.

In **Syria**, 1,979 children were able to return to primary school in safe and appropriate premises when six school buildings were repaired.

In **Jordan**, 488 students from local educational institutions received student counselling and career guidance from counsellors trained by the FCA. In the meantime, 424 Syrian refugees and young Jordanians in vulnerable life situations participated in vocational education and training. Additionally, an estimated 2,000 Syrian refugees gained access to different, unofficial education and training, such as IT courses, English lessons and sport activities.

In **Palestine**, we launched an educational pilot project and sent four of the first volunteer specialists to support the development of Palestinian schools situated on the West Bank. In East Jerusalem, we supported the schooling of 48 children exposed to a risk of social exclusion and trained 55 young adults to become support persons for children in difficult life situations.

In the **Central African Republic**, the FCA supported 11 schools located in the Sangha-Mbaéré and Mambéré-Kadéï prefectures, which had been affected by armed conflict. During 2018, the FCA refurbished 33 classrooms and distributed school supplies to 3,075 children. In the meantime, 27 teachers participated in training, which lasted 35 days and which strengthened their pedagogical competence and psycho-social skills, as well as the integration of peace work into

education. In Bozoum, the FCA trained 21 reading literacy teachers (19 women and two men) in cooperation with the country's Ministry of Education. A total of 450 women participated in the reading literacy training begun in September.

In **South Sudan**, 221 students (40 women and 181 men) are currently studying at the vocational school located in Juba. Civil engineering, solar and electrical engineering, car mechanics, hairdressing and barbering services, beauty care service, hospitality management (Bachelor level) and tailoring service training began in October of 2018. The students completed their training in March of 2019. In 56 schools situated in Mingkaman and Pibor and Fangak State, the FCA supported the schooling of 24,363 children by distributing teaching and learning materials. At the same time, the FCA strengthened the pedagogical and psycho-social skills of the teachers and refurbished classrooms. Finn Church Aid is developing the whole technical and vocational education and training (TVET) sector in South Sudan.

In **Somalia**, 3,000 children (918 girls and 2,082 boys) participated for the first time in a project, called "Education and Training in Disaster Situations", which targets people in distress. A construction project focused on six schools made schooling possible for 1,513 refugees (596 girls and 917 boys) and 1,489 district children (322 girls and 1,167 boys). A total of seven new classrooms and four lavatories were built and 16 classrooms and eight lavatories were refurbished. The FCA trained 50 teachers (nine women and 41 men) in Teachers in Crisis Contexts pedagogy.

In **Uganda**, 71,600 refugee children gained access to education arranged by the FCA in several different refugee settlements situated. We also built training facilities, increased the pedagogical skills of the teaching staff by producing material that is suitable for teaching and granted them merit pay. Additionally, 140 schools arranged extra-curricular activities for children. An event, called "Drop Everything and Read" (DEAR), which promoted literacy and the benefit of reading, reached 23,298 schoolchildren (11,945 girls and 11,353 boys).

In **Kenya**, the FCA successfully brought 27,000 rural children back to school through 110 community projects and an awareness campaign. In the meantime, 221 teachers (69 women and 152 men) participated in training in inclusive education, child-supportive environments and student-centred pedagogy. Additionally, we refurbished 37 schools in Marsabit and Garisa and built two new primary schools in Turkana. At 84 schools, we offered members of the schools' Boards of Management (BOMs) training in comprehensive school administration, conflict resolution skills and child protection. The FCA had two new schools built at the Kalobeye refugee camp and prepared educational materials for 5,589 refugee children, as well as furniture suitable for the teaching facilities.

Vocational education and training are emphasised in our programme work, as well as in the Finn Church Aid strategy and global programme. 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, human rights and security. Furthermore, migration to cities is continuing, so in addition to traditional industries, some new means of livelihood are needed through entrepreneurship and self-employment. Omnia Education Partnerships (OEP Oy), established in 2017 with Finn Church Aid as one of the shareholders, offered the Finnish Vocational Qualification in Business Management to 20 Ugandan and Congolese students in Uganda. This was the first time that Finnish qualifications were exported to a refugee context. In 2018, the holistic Finn Church Aid approach to the Right to Education theme gained strength at both community and international levels. In disaster situations, the 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. Additionally, 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 our significant role in UN cluster activities, as well as by the growing UNICEF support for our programme activities.

Right to Livelihood

The women and young people 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 themes was further strengthened once the connection between education and livelihood was clarified through pilot projects.

In **Myanmar**, the FCA formed a consortium with local and international organisations through support provided by the UN Women. The objective was to increase the opportunities for livelihood in Rakhine State, which is affected by conflict. We improved the economic position of women by giving weavers and handicraft makers vocational and business skills training and support for financing and accessing the markets. Additionally, the voice of women was made more audible by bringing together female entrepreneurs and companies, as well as administrative and civil society representatives.

In **Nepal**, we supported the registration of 19 cooperatives managed by women and the establishment and registration of ten companies led by women. We helped the cooperatives develop their administration and infrastructure and acquire equipment. Together with one of our partner organisations, we arranged an international trade fair and two provincial trade fairs, which helped groups of women to become directly linked to wider markets.

In **Cambodia**, the number of members in women's agricultural cooperatives grew by 1,107 new members from the previous 4,011 members. Of the new members, those from 179 of the most impoverished households received initial capital to begin cultivating vegetables and growing chickens after gaining technical training. A volunteer Women's Bank specialist supported this cooperative project in doing a market assessment. Additionally, 111 new members in the province of Siem Reap registered as members of the groups for savings.

Together with a humanitarian assistance volunteer of the EU, the country office in Cambodia conducted an analysis of vulnerability, risk and capacity to find out how the risks and disasters, such as poverty and climate change, experienced by Cambodians affect farmers and women in particular. Based on this analysis, its makers compiled a publication describing the concept of resilience and the principal measures for strengthening it in more detail. Additionally, the analysts gave recommendations for ways in which the FCA projects could help farmers to prepare for the effects of climate change and survive them.

An agricultural project carried out on the **West Bank** organised 44 trainings in a variety of subjects for more than 360 participants. Some of the subjects included marketing, negotiation skills, financial administration and the operations of groups for savings and loans. Supported by the project, the Palestinian women's groups for savings and loans granted EUR 95,000 in loans to group members for the development of their agricultural activities.

In **Jordan**, the students who completed the FCA entrepreneurship course established 49 new businesses during the year.

In **Liberia**, we continued a pilot project established for maize cultivation by establishing a hennery, which rural women could access to increase their knowledge and skills. Egg production began in July of 2018 when the hennery, which had been completed early in the year, held 2,000 chickens. The income was invested in continuing the project and bringing about social change to rural communities. At the same time, jobs and livelihoods were created for the members of the community.

In **Eritrea**, the FCA supported vocational education and training arranged for hearing-impaired young people by a school for the deaf. A total of 35 young people participated in vocation education and training. They are due to become qualified stitchers in 2019 with favourable employment prospects. We supported the work of vocational school teachers, for instance, by arranging in-service training and through the acquisition of materials and equipment.

In the **Central African Republic**, 105 people participated in an eight-day small business skills training held in the Ouham-Pendé prefecture. In addition to arranging this, we distributed livelihood activity packages to 14 parents' associations (80 men and 60 women). By supporting the livelihood activities of these parents' associations, we also strengthened the schooling of children since the parents' associations acquired school supplies with the incomes.

In **Uganda**, 720 youth participated in a number of vocational trainings held at the Rwamwanja refugee camp. Of the participants, 78% became employed either in the refugee settlement or outside it. A total of 2,750 women raised the living standards of their families by establishing businesses after getting training in small business management and some support provided by the Village Savings and Loan Association (VSLA). Additionally, we successfully connected 425 farmers (201 women and 224 men, comprising 32 people with large holdings and 40 representatives of farmers' associations) with various value chains, such as financial institutions, bulk goods suppliers and processors. Thus, we gave them access to agricultural services.

In **Kenya**, we trained women and ten former military groups in the creation of livelihoods. Activities supporting peace and livelihood are the result of long-term peace work in Baringo County by the FCA country office in Kenya. These activities have contributed to a decreasing number of cattle thefts and other conflicts and promoted the strengthening of livelihood.

In **South Sudan**, 22 youth participated in carpentry training, which also included youth mentoring in addition to the actual training. In the meantime, 65 women participated in catering training, which sparked great interest. The training not only strengthened cooking skills, but provided small business skills training as well. We arranged agricultural training for 1,000 farmers and distributed seed and tools.

Close cooperation between **Women's Bank** and the FCA continued in 2018. New projects being launched increasingly focus on the development of female-driven business activities. The role of vocational training and entrepreneur training in the projects has 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 operations, especially in terms of micro-entrepreneurship and SME business model development.

Right to Peace

Action models and activities in Finn Church Aid projects and programmes are 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.

In **Liberia**, we arranged a total of three county dialogues, which gathered 118 people. These dialogues gave communities the opportunity of providing feedback on the penal systems of their localities, the rights of the individual and prison conditions. This strengthened solidarity and respect for the constitutional state and human rights among the various stakeholders. Additionally, we gave 365 prisoners legal advice on topics, such as agreement on bail, psycho-social support and the right to health care. The Association of Female Lawyers (AFELL), a partner in cooperation with the FCA, represented 208 prisoners in the counties of Bong, Nimba and Lofa, gaining their release. The FCA and two of its partners in cooperation, the aforementioned AFELL and the Rural Human Rights Activist Programme (RHRAP), trained 14 judges and counsels for the defence, 151 police/officials, as well as 124 religious/community leaders.

In **Kenya**, 60 women participated in discussion groups for women's peace work. In cooperation with the county and state governments, we held ten consultative forums, which offered opportunities to model successful ways of building peace and strengthening inclusive cooperation between the county, the state government and local target groups.

In **Somalia**, we trained 110 civil society actors (60 women and 50 men) in political dialogue, which aims to strengthen civil society and which supports the reconstruction of the nation. We invited youth groups, religious groups and women to participate in this training as well. The trained public operators arranged a total of 17 civic education events in order to raise awareness in the local communities of the process of constitutional change and the National Development Day. A total of 897 citizens (476 women and 421 men) participated in these events. The participants included community elders, religious leaders, women, refugees, young people and local officials.

In **Myanmar**, 42 young people participated in two youth workshops held in their communities. In Kayin State, we created opportunities for young people to meet one another in order to freely share their experiences, discuss competence development needs and begin networking. A total of 226 young people participated in seven different trainings for the development of management and facilitation skills. Additionally, we completed an interfaith survey and held four interfaith workshops aiming to promote mutual understanding and respect among different religions. A total of 73 religious leaders from a variety of religions and areas participated in these workshops.

In five provinces of **Nepal**, we provided support to local level human rights actors who are engaged in advocacy work and who support casteless people for the elimination of caste-based discrimination. We arranged events and dialogues on the rights of casteless people on the local, regional and national levels and promoted the enforcement of laws for the elimination of discrimination.

Two representatives of the Changemaker youth network in **Cambodia** together with volunteers from the Teachers without Borders (TWB) network participated in the Asian Youth Forum organised by Asian Development Bank (ADB) in South Korea. A report, entitled "Youth on the Move", by the FCA was presented in a panel discussion. A TWB volunteer provided training on management and team work to 30 young people who appreciated the new knowledge and skills they gained. Participating in the Asian Youth Forum made it possible for the youth empowerment results of the Changemaker network to gain visibility on a regional level as well.

In the **Central African Republic**, the FCA arranged seven peace work trainings at Christian communities in five different prefectures in cooperation with King Abdullah Bin Abdulaziz International Centre for Interreligious and Intercultural Dialogue (KAICIID) and the Network for Religious and Traditional Peacemakers. The number of participants in the trainings was 171 (60 women and 111 men) and the FCA provided support to them after training.

In **South Sudan**, we arranged a dialogue session for the Jiye and Murle communities in the Jebel Boma County with the purpose of finding peaceful solutions to a conflict that had flared between them in July of 2018. The five-day peace dialogue brought together 90 members of both communities and their administrations. The peace dialogue was successful in getting the participants to identify some of the factors, which had led to the emergence of the conflict, to create a peace agreement and sign it together.

In **Israel**, 162 young people of Jewish and Palestinian origin participated in workshops held in schools where they discussed domestic violence and discrimination and sought to break down some of the prejudice against the different population groups. In the same project, we trained six facilitators to conduct workshops.

During 2018, the **Network for Religious and Traditional Peacemakers** successfully supported interfaith and internal dialogue in South Asia, South-East Asia and the Central African Republic, contributed to the development of a national reconciliation strategy in Somalia, provided training in the role of religion and religious actors in peace processes to UN personnel and peace work actors, and fostered the competence of internal mediators. Additionally, the Network furthered research on the connections between violent extremism and the legal system in Kenya, conducted surveys and strengthened the role of women in peace processes taking place in religious contexts.

Peace work competence, born in the Finn Church Aid operating countries and within the Network, also enabled activities related to this theme in Finland. The FCA and the Network are active partners in the implementation of an operational programme for the prevention of violent national radicalisation and extremism. The mission demands close cooperation with the Ministry of the Interior, the religious communities and the local authorities. Through projects carried out in Finland, we have built confidence and communication among vulnerable families, civil society, religious communities, immigrant women and national and local authorities.

Humanitarian Aid

The great number of protracted crises around the world was evident in the humanitarian aid efforts of Finn Church Aid. Nearly all of the humanitarian aid programmes focused on supporting refugees or internally migrating people, for instance, in Bangladesh, the Central African Republic, Jordan, Myanmar, Somalia, South Sudan, Syria and Uganda.

Through the ACT Alliance organisations for cooperation, the FCA provided emergency aid to hurricane victims in the Philippines and for tsunami aftercare in Indonesia. The FCA also began relief work among the people who had fled to Bangladesh from Myanmar. The programme carried out in cooperation with DanChurchAid focused on education and training and the work being done with women.

The FCA invested effort in strengthening disaster preparedness at the country level, but globally as well. The FCA is a strong operator in the global educational cluster and the connected preparedness team. One of the FCA employees spends 50% of the annual working time in disaster situations in different parts of the world, coordinating the humanitarian efforts of the UN-driven educational sector. The FCA also invested effort in livelihood development and began utilising cash donations in humanitarian aid programme work. Additionally, the FCA strengthened connections with international networks, partners in cooperation and funding bodies.

DEVELOPMENT AND GROWTH OF THE ORGANISATION

At the end of 2018, **Finn Church Aid** employed more than 400 people in 15 different countries located mainly in war zones and fragile areas. Challenges in finding and retaining professional staff continued especially in fragile operating environments.

During the year, new operational and financial instruments continued to be developed. Negotiations between FCA Investments Oy (FCAI), established by the FCA in the previous year, and the Ministry for Foreign Affairs (MFA) reached a conclusion and the parties signed the FCAI loan agreements with the State Treasury at the end of the year. Preparations for making direct investments in Somalia and Uganda were also launched at the end of the year. Omnia Education Partnerships Oy (OEP Oy), established in 2016, continued its operations. The company's performance was positive. The FCA is a minority shareholder of the OEP.

Advocacy work was active in both Finland and the programme countries. As in previous year, advocacy work focused on the Right to Education, the Right to Peace, the Right to Livelihood and human rights issues. We made the education and livelihood of young people and their participation in decision-making the special theme of advocacy work. On this topic, we published a report, entitled "Youth on the Move", and arranged several advocacy events as well. In our programme countries, we supported the advocacy work of our partners and beneficiaries. We engaged in active, direct dialogue with the decision-makers, gave a number of statements (for instance, at the request of the Finnish parliamentary committees), appeared on the media and arranged events related to advocacy work themes both at home and abroad, participating in these events as specialist speakers. For the Finnish parliamentary elections in 2019, we advocated for improvements to the role of development cooperation. Additionally, we invested effort in developing advocacy work competence through various kinds of training and by drafting an advocacy work strategy.

THE MOST SIGNIFICANT RISKS AND UNCERTAINTY FACTORS

In accordance with its strategy, the FCA operates in the most vulnerable and impoverished countries of the world. Due to this, the identification and management of risks are essential to the success and fruitfulness of our operations. Risk assessment and risk management are carried out on all levels of the organisation both in Helsinki and at the country offices. To support this activity, the FCA developed a risk management tool. The results of the assessment work point to five current high-risk areas as described in the rest of this section.

Safety and Security: The safety of our humanitarian workers and the people receiving aid is of cardinal importance to FCA risk management. Our operations are often carried out in conflict zones, so safety and security planning, monitoring and management are essential to the implementation of the programmes.

Quality and dependability: Difficult operational environments are challenging in terms of maintaining operations of high quality. Upon joining the Core Humanitarian Standard Alliance and receiving its quality certification, the FCA committed to developing the quality and reliability of its operations to a high level. This demands continuous effort and development, as well as resources.

Basic financing, unrestricted: The scale of FCA operations and their funding structure have changed significantly during the past ten years, and by contrast with the action model of other Finnish non-governmental organisations, most of the FCA income is acquired from international donors. Examples of these include UN organisations, the private sector, other international organisations, the development cooperation authorities of other countries, and development banks. At the same time, internal funding is increasingly necessary for international funding to function, but the growth of the internal funding through the Finnish collection and donor markets is limited.

Personnel availability and turnover: As the operations and the number of personnel grow, it is increasingly difficult to find a competent and professional workforce for the FCA country programmes. The challenging and dangerous nature of the operational environments also increases the turnover, shortening the length of employment relationships. Moreover, psycho-social support is often necessary.

Reputational risks: The field of relief work is the object of constant scrutiny by the beneficiaries, the funders, the media and the public. They look for errors and failures and addressing such in a misguided way can backfire as reputational deterioration, but also as the loss of donor confidence. When joining in, each FCA employee signs the Code of Conduct, thereby committing to observe the FCA values and rules. Having all-round guidelines will not guarantee success if we fail to pay enough attention to monitoring and inspections, however. Successful recruitment processes, good work orientation and continuous training reduce the risks of employee errors and unethical activity. Errors by the FCA partners and other organisations operating in the field of relief work can cause reputational risks to the whole field of work as well. We can prepare for such eventualities only by ensuring the ethical base of our own operations.

FUNDRAISING

The development of fundraising was challenging during the year. However, contributions by private donors continued to grow even though there were no sudden large-scale disasters during the year. The budgetary objective set for foreign public funding bodies did not materialise, but cooperation with several significant international funding bodies nevertheless enabled the expansion of our operations and their growth in many of the country programmes. Furthermore, the governments of vulnerable nations began to see the added value of Finn Church Aid operations, which enabled cooperation with new kinds of funding bodies, such as development banks. We should continue to pay attention to ensuring the availability of unrestricted internal funding in order to cover the mandatory FCA contribution to international funding. Additionally, we must be able to continue to channel our resources to the development of new programme work.

The **WeFood surplus food supermarket** was opened at the REDI shopping centre in Helsinki in September, gaining considerable visibility in the media both at home (all the key media) and abroad (for instance, the British Broadcasting Corporation (BBC)). During the autumn of 2018, WeFood reduced the amount of surplus food wasted in Finland by more than 10,000 kilograms by selling surplus food donated by 22 goods suppliers: manufacturers, importers, wholesalers, retailers and producers. The project involved 132 volunteers.

Quality assurance work continued during the year and the Core Humanitarian Standard Alliance approved the official certification of the FCA in the spring.

FOUNDATION GROUP STRUCTURE

The offices located in Jordan, Liberia, Kenya, Sierra Leone and the United States, as well as Omnia Education Partnerships Oy (a 20% share) and FCA Investments Oy (a 100% share), are integrated into the Finn Church Aid Foundation Group. FCA Investments Oy did not have any significant activity yet in 2018, however.

The office in Haiti was closed in April of 2017 while the office in Sierra Leone was closed in March of 2018. The independence process of the office in Liberia continued and the Serving Humanity for Empowerment and Development Foundation (SHED) assumed increasing responsibility for continuing those operations. This localisation will be finalised in 2020.

The offices located in Cambodia, the Central African Republic, Eritrea, Myanmar, Nepal, Somalia, South Sudan and Uganda, which are treated as branches, are integrated into the accounts of the Finn Church Aid parent company.

FINANCE

The financial information in the annual report is shown in the following order: group 2018 (group 2017), parent 2018 (parent 2017). Where the figures are the same for the Group and the parent company in 2018, only one figure is shown.

The deficit for the 2018 financial year was €533,070.43 (surplus €45,030.90). At the year-end, the deficit and equity totalled €534,037.76 (surplus €5,144.58) and €10.5 million (€13.0 million) respectively. Short-term receivables totalled €3.2 million (€2.9 million), €3.2 million (€3.1 million), of which advances paid to project partners accounted for €0.7 million (€0.6 million), €0.7 million (€1.0 million). Short-term liabilities totalled €8.3 million (€6.8 million), €8.1 million (€6.3 million), of which advances received accounted for €5.2 (€3.4 million), €5.2 million (€3.2 million).

Income

Income for the financial year came to €39,984,097.10 (€44,275,757.91), €39,011,713.29 (€43,391,110.80), corresponding to a decrease of 9.7% (group), 10.1% (parent) over the previous year. The income for the financial year includes transfers from funds, which came to €1,962,440.87 (transfers to funds €-509,855.06).

Budgetary allocations from the parishes totalled €4.0 million (€3.9 million). The Common Responsibility Campaign resulted in income of €1.4 million (€1.4 million) while the subsidy from the Church Council was €1.0 million (€1.1 million).

Funding from the Ministry for Foreign Affairs and from Finnish and international institutional funding bodies totalled €19.3 million (€23.6). The Ministry for Foreign Affairs allocated €6.3 million (€5.9 million) to development cooperation work and €2.9 million (€3.3 million) to humanitarian aid work.

Income from the private sector, including private donations from the parish accounts totalled €13.8 million (€14.0 million).

Expenses

Expenses for the financial year totalled €40,517,167.53 (€44,230,727.01), €39,545,751.05 (€43,385,966.22), representing a decrease of 8.4% (group), 8.9% (parent) over the previous year.

Aid work expenses accounted for €35.1 million (€38.6 million), €34.1 million (€37.7 million), including €2.8 million (€2.6 million) in programme planning, monitoring and development costs. Aid work support functions, i.e. communications, fundraising, stakeholder contacts and general administration, generated expenses of €5.4 million (€5.7 million).

Actual aid operations accounted for 86.6% (87.2%), 86.3% (86.9%) of all operating expenses, while aid work support functions took up 13.4% (12.8%), 13.7% (13.1%).

Salaries and compensation, including social costs, totalled €12.3 million (€12.3 million), €11.5 million (€11.0 million). During the period, the FCA invested €0.3 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 2018	Group 2017
Uganda	8.3	6.0
South Sudan	3.6	3.3
Global projects	3.6	4.0
Somalia	3.6	3.8
Central African Republic	2.7	2.7
Kenya	2.5	1.8
Jordan	2.1	1.9
Myanmar	1.7	1.4
Nepal	1.4	4.8
Cambodia	1.3	1.2
Eritrea	0.7	0.8
Syria	0.7	0.5
Others	3.0	6.4
Total	35.1	38.6

PERSONNEL

Overall, 415 (326), 347 (277) man-years were accumulated, of which 156 (150), 148 (140) were completed by personnel either in Helsinki or posted overseas from Finland. Additionally, local programme office personnel completed a further 259 (176), 205 (138) man-years. Temporary F2F and telefundraising personnel completed a total of 11 (9) man-years in temporary employment relationships. Of all the man-years, 126 (113), 118 (108) took place under permanent contracts and 289 (212), 208 (169) under fixed-term contracts.

GOVERNANCE

The Finn Church Aid Foundation Board of Directors convened six times in 2018.

The board in 2018 comprised International Affairs Expert Tarja Kantola as Chair and the following ordinary members: Attorney Tuomas Aho, Director Sixten Ekstrand, Member of Parliament Pekka Haavisto, Parish Pastor Riikka Hietanen, Secretary of State Anna-Kaisa Ikonen, Docent (development studies) Marjaana Jauhola, Vicar Juhani Lavanko, Bishop Tapio Luoma (until May), Editor Reetta Meriläinen, Master of Economics Ritva Ohmeroluoma, Member of Parliament Aila Paloniemi, Reverend for International Ministry & Mission Mark Saba and Vicar Olli-Pekka Silfverhuth.

The Board of Directors appointed Vicar Olli-Pekka Silfverhuth the new Vice-Chair of the Board beginning 1 June 2018 after Bishop Tapio Luoma was elected Archbishop of the Evangelical Lutheran Church of Finland.

The expert members invited by the Board were Secretary General Mari-Anna Auvinen, Director Risto Jukko (until September), Director Kalle Kuusimäki and Executive Director Riina Nguyen. Director of the Office for Global Mission (Evangelical Lutheran Church of Finland) Risto Jukko opted out of the duties of an expert member invited by the Board after he was appointed Director of the Commission on World Mission and Evangelism (CWME), World Council of Churches beginning 1 October 2018. The Board of Directors elected Docent (mission theology) Jaakko Rusama deputy expert member in Risto Jukko's stead beginning 1 October 2018.

AMENDMENTS TO THE BY-LAWS

In its meeting of 22 May 2018, the Board approved amendments to the by-laws of the Foundation.

With regard to operational funding related to the fulfilment of the objectives of the Foundation, the by-laws were clarified by declaring that the Foundation may collect and acquire funds by all legal means to finance its operations and conduct any legal business approved by the Board of Directors to finance its forms of activity.

Some of the by-laws on financial administration were abolished and the Board declared that detailed instructions are given in the Financial Standing Orders.

The duties of the Board of Directors and the work committee were clarified, inter alia, with regard to duties related to the employment relationships of other management. Furthermore, it was added that the Chairperson of the Board shall also be the chairperson of the work committee.

The deadline for the spring meeting of the Board was postponed from the end of March to the end of April.

Additionally, some minor linguistic improvements and specifications were made to the by-laws.

RELATED-PARTY TRANSACTIONS

Related-party transactions are specified in the Finnish Foundations Act. 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 of the aforementioned persons.

The following organisations are also regarded as related parties:

- The 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 exhaustively to 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	-	€15,055	€565,140	-	-
B	Contracts and agreements	€682,714	€54,654	-	-	-
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 global strategy of the FCA was confirmed in May 2016 and its implementation was launched in 2017. The FCA will continue and expand the "FCA 2030" development and vision process launched in 2018.

ESSENTIAL PROGRAMME ACTIVITY EVENTS AFTER THE END OF THE FINANCIAL PERIOD

The period 2019 was marked by humanitarian disasters. The cyclone in Mozambique, the war in Yemen and a request for aid addressed to the FCA from North Korea demanded a rapid response. We made an assessment mission to the last of these in January of 2019 and as a result of this the FCA is seeking to launch a humanitarian aid programme in that country. The FCA is launching aid operations for the two other disasters as well.

FINN CHURCH AID FOUNDATION

PROFIT AND LOSS ACCOUNT

	Group 1 Jan. – 31 Dec. 2018	Group 1 Jan. – 31 Dec. 2017	Parent 1 Jan. – 31 Dec. 2018	Parent 1 Jan. – 31 Dec. 2017
INCOME FROM OPERATIONS				
Aid activities				
Income				
From the government	9 157 493,37	9 182 608,38	9 157 493,37	9 182 608,38
Parishes	4 001 746,05	3 874 107,10	4 001 746,05	3 874 107,10
From international funding sources	10 116 962,34	14 322 085,78	9 148 170,75	13 488 758,20
Other income	43 483,69	51 097,11	40 858,80	39 663,89
	<u>23 319 685,45</u>	<u>27 429 898,37</u>	<u>22 348 268,97</u>	<u>26 585 137,57</u>
Expenses				
Direct aid	-16 066 215,16	-18 687 617,84	-17 451 644,75	-21 800 287,57
Personnel	-9 305 974,57	-9 089 267,62	-7 901 915,96	-7 593 697,54
Other expenses	-9 732 910,29	-10 775 875,33	-8 780 122,83	-8 314 014,89
	<u>-35 105 100,02</u>	<u>-38 552 760,79</u>	<u>-34 133 683,54</u>	<u>-37 708 000,00</u>
Deficit	-11 785 414,57	-11 122 862,43	-11 785 414,57	-11 122 862,43
Support functions for aid activities				
Communications and stakeholder relations				
Income	160 948,74	280 270,37	160 948,74	280 270,37
Expenses				
Personnel	-1 107 510,23	-1 143 384,87	-1 107 510,23	-1 143 384,87
Other expenses	-690 336,40	-1 063 848,84	-690 336,40	-1 063 848,84
	<u>-1 797 846,63</u>	<u>-2 207 233,71</u>	<u>-1 797 846,63</u>	<u>-2 207 233,71</u>
Deficit	-1 636 897,89	-1 926 963,34	-1 636 897,89	-1 926 963,34
General administration				
Income	11 277,35	47 112,22	11 277,35	47 112,22
Expenses				
Personnel	-2 050 807,35	-1 843 432,93	-2 050 807,35	-1 843 432,93
Other expenses	-1 960 165,07	-1 893 013,51	-1 960 165,07	-1 893 013,51
Appropriation to sectors	2 626 465,48	2 261 093,05	2 626 465,48	2 261 093,05
	<u>-1 384 506,94</u>	<u>-1 475 353,39</u>	<u>-1 384 506,94</u>	<u>-1 475 353,39</u>
Deficit	-1 373 229,59	-1 428 241,17	-1 373 229,59	-1 428 241,17
Deficit from operations	-14 795 542,05	-14 478 066,94	-14 795 542,05	-14 478 066,94
Fundraising				
Income				
Donations from private persons	9 885 802,37	11 878 889,14	9 885 802,37	11 878 889,14
Donations from companies and organi	761 004,66	803 263,15	761 004,66	803 263,15
Donations from parishes	2 606 717,12	2 786 181,57	2 606 717,12	2 786 181,57
Parish income to be transferred	0,00	483 806,96	0,00	483 806,96
Other income	200 132,61	62 565,06	200 132,61	62 565,06
	<u>13 453 656,76</u>	<u>16 014 705,88</u>	<u>13 453 656,76</u>	<u>16 014 705,88</u>
Expenses	-2 210 739,11	-1 994 444,79	-2 210 739,11	-1 994 444,79
Surplus	<u>11 242 917,65</u>	<u>14 020 261,09</u>	<u>11 242 917,65</u>	<u>14 020 261,09</u>
INVESTMENTS AND FUNDING OPERATIONS				
Share of profit in partly owned companies	967,33	39 886,32	0,00	0,00
Income	150 120,60	4 419,82	150 120,60	4 419,82
Expenses	-18 974,83	-934,33	-18 974,83	-934,33
Surplus	<u>132 113,10</u>	<u>43 371,81</u>	<u>131 145,77</u>	<u>3 485,49</u>
Surplus/Deficit	-3 420 511,30	-414 434,04	-3 421 478,63	-454 320,36
SUBSIDIES				
Subsidy from the Church Council	925 000,00	969 320,00	925 000,00	969 320,00
Profit/loss before fund transfers	-2 495 511,30	554 885,96	-2 496 478,63	514 999,64
FUND TRANSFERS				
Donation Fund	2 191 632,95	-1 010 334,72	2 191 632,95	-1 010 334,72
Disaster Fund	-143 293,91	993 210,27	-143 293,91	993 210,27
Women's Bank Fund	-85 822,51	-492 606,00	-85 822,51	-492 606,00
Aid Fund	-75,66	-124,61	-75,66	-124,61
	<u>1 962 440,87</u>	<u>-509 855,06</u>	<u>1 962 440,87</u>	<u>-509 855,06</u>
SURPLUS/DEFICIT FOR CURRENT PERIOD	<u>-533 070,43</u>	<u>45 030,90</u>	<u>-534 037,76</u>	<u>5 144,58</u>

FINN CHURCH AID FOUNDATION

BALANCE SHEET	Group 31.12.2018	Group 31.12.2017	Parent 31.12.2018	Parent 31.12.2017
Assets				
NON-CURRENT ASSETS				
Intangible assets				
IT Software	0,00	0,00	0,00	0,00
Tangible assets				
Machinery and equipment	89 956,80	119 762,27	89 956,80	119 762,27
Investments				
Shares and other interests	78 967,33	92 886,32	78 000,00	53 000,00
Other receivables	6 890 046,98	6 304 942,92	6 890 046,98	6 304 942,92
Total investments	6 969 014,31	6 397 829,24	6 968 046,98	6 357 942,92
CURRENT ASSETS				
RECEIVABLES				
Current				
Prepayments for projects	723 669,56	614 289,40	703 942,74	951 806,37
Receivables carried forward	1 821 466,83	1 667 474,93	1 821 466,83	1 630 911,88
Other receivables	628 283,80	584 780,90	633 076,85	559 827,37
Total current receivables	3 173 420,18	2 866 545,24	3 158 486,42	3 142 545,62
Financial securities	100 000,00	0,00	100 000,00	0,00
Cash in hand and at banks	8 464 791,59	10 438 008,69	8 224 806,63	9 634 573,97
TOTAL ASSETS	18 797 182,88	19 822 145,44	18 541 296,83	19 254 824,78
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	1 945 213,53	4 136 846,48	1 945 213,53	4 136 846,48
Disaster funds	1 662 803,38	1 519 509,47	1 662 803,38	1 519 509,47
Women's Bank	2 245 133,04	2 159 310,53	2 245 133,04	2 159 310,53
Aid Fund 1985	117 593,04	117 517,38	117 593,04	117 517,38
Surplus from previous periods	5 011 716,85	5 006 572,27	5 011 716,85	5 006 572,27
Surplus/Deficit for current period	-533 070,43	45 030,90	-534 037,76	5 144,58
Total equity	10 483 027,00	13 018 424,62	10 482 059,67	12 978 538,30
LIABILITIES				
Current				
Prepayments received	5 229 607,49	3 404 339,12	5 226 270,22	3 206 914,94
Accounts payable	593 097,21	584 899,18	379 882,75	438 911,32
Other debts	918 837,96	1 028 292,61	978 295,94	1 012 947,79
Accrued liabilities	1 572 613,22	1 786 189,91	1 474 788,25	1 617 512,43
Total liabilities	8 314 155,88	6 803 720,82	8 059 237,16	6 276 286,48
TOTAL EQUITY AND LIABILITIES	18 797 182,88	19 822 145,44	18 541 296,83	19 254 824,78

NOTES TO THE FINANCIAL STATEMENTS OF 31 DECEMBER 2018

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 effect of the acquisition cost. The depreciation period for machinery and equipment is 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 mainly unaudited financial data provided by partners.

Treatment of targeted income

Before 2017, 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 Donation fund transfers and in the balance sheet under equity funds. However, the budget contributions in parish income are treated as donations.

Branch offices

Finn Church Aid offices in Cambodia, the Central African Republic, South Sudan, Somalia, Uganda, Myanmar, Nepal and Eritrea 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 exchangerate 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, 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 2018. The 2018 profit/loss of FCA Investments Oy, the amount of voluntary reserves and its change was -60 euros. The amount of equity was 2,060 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 2018

2. NOTES TO THE PROFIT AND LOSS ACCOUNT

	Group	Group	Parent	Parent
	2018	2017	2018	2017
TOTAL INCOME AND EXPENSES				
Income	38 021 656,23	44 785 612,97	37 049 272,42	43 900 965,86
Operating costs				
Aid activities	-35 105 100,02	-38 552 760,79	-34 133 683,54	-37 708 000,00
Domestic support functions and administration	-5 412 067,51	-5 677 966,22	-5 412 067,51	-5 677 966,22
Total expenses	-40 517 167,53	-44 230 727,01	-39 545 751,05	-43 385 966,22
Transfers to/from funds	1 962 440,87	-509 855,06	1 962 440,87	-509 855,06
Profit/Loss for the current period	-533 070,43	45 030,90	-534 037,76	5 144,58
INCOME FROM OPERATIONS				
Revenue from the government for aid activities				
Ministry for Foreign Affairs (MFA) framework agreement	5 400 000,00	5 260 000,00	5 400 000,00	5 260 000,00
Other MFA	904 800,32	634 229,77	904 800,32	634 229,77
MFA for humanitarian work	2 852 693,05	3 288 378,61	2 852 693,05	3 288 378,61
Total	9 157 493,37	9 182 608,38	9 157 493,37	9 182 608,38
Revenue from the EU for aid activities				
EU support for development cooperation	1 497 591,47	2 028 835,43	1 497 591,47	2 028 835,43
EU for humanitarian work	1 877 838,34	1 389 739,84	1 877 838,34	1 389 739,84
Total	3 375 429,81	3 418 575,27	3 375 429,81	3 418 575,27
Income from international funding sources				
ACT	455 710,82	919 411,81	455 710,82	919 411,81
United Nations	1 984 540,47	2 089 769,39	1 984 540,47	2 089 769,39
Danida	759 767,83	266 575,92	759 767,83	266 575,92
USAID	320 018,37	96 646,13	320 018,37	66 996,48
Education Cannot Wait	345 105,42	0,00	345 105,42	0,00
KAICIID	130 516,55	78 357,45	130 516,55	78 357,45
UNICEF	2 355 102,10	6 580 957,68	1 424 513,55	5 916 297,65
Other international funding	371 900,95	759 920,35	331 073,02	609 469,24
Total	6 722 662,51	10 791 638,73	5 751 246,03	9 946 877,94
Other public aid	21 494,91	123 304,99	21 494,91	123 304,99
Revenue from parishes for aid activities				
Budget contributions	4 001 746,05	3 874 107,10	4 001 746,05	3 874 107,10
Other income for aid activities	52 136,15	86 776,11	52 136,15	86 776,11
Income from aid activity support functions				
Ministry of Education support for youth work	30 000,00	131 270,58	30 000,00	131 270,58
Ecclesiastical Board support for youth work	83 705,00	85 000,00	83 705,00	85 000,00
Public donations	21 261,32	20 000,00	21 261,32	20 000,00
Other income	25 982,42	43 999,79	25 982,42	43 999,79
Total	160 948,74	280 270,37	160 948,74	280 270,37
TOTAL INCOME FROM OPERATIONS	23 491 911,54	27 757 280,94	22 520 495,06	26 912 520,16

NOTES TO THE FINANCIAL STATEMENTS OF 31 DECEMBER 2018

	Group	Group	Parent	Parent
	2018	2017	2018	2017
FUNDRAISING				
Donations from private persons	9 692 189,31	11 645 479,56	9 692 189,31	11 645 479,56
Sales of products	199 954,55	71 685,43	199 954,55	71 685,43
Red Nose Day collection	174 307,41	203 185,25	174 307,41	203 185,25
Other indemnities	19 483,71	21 103,96	19 483,71	21 103,96
Total	10 085 934,98	11 941 454,20	10 085 934,98	11 941 454,20
Donations from companies and organisations	761 004,66	803 263,15	761 004,66	803 263,15
Donations from parishes	2 606 717,12	2 786 181,57	2 606 717,12	2 786 181,57
Parish income to be transferred	0,00	483 806,96	0,00	483 806,96
TOTAL FUNDRAISING INCOME	13 453 656,76	16 014 705,88	13 453 656,76	16 014 705,88
OTHER INCOME				
Church Council subsidy	925 000,00	969 320,00	925 000,00	969 320,00
Share of profit in partly owned companies	967,33	39 886,32	0,00	0,00
Investments and funding operations	150 120,60	4 419,82	150 120,60	4 419,82
Total	1 076 087,93	1 013 626,14	1 075 120,60	973 739,82
MOVEMENTS IN FUNDS	1 962 440,87	-509 855,06	1 962 440,87	-509 855,06

AVERAGE NO. OF PERSONNEL	2018	2017	2018	2017
International programme activities				
Helsinki	51	46	51	46
Posted overseas	33	40	26	30
Recruited onsite *)	258	178	204	151
Director's office	7	5	7	5
Fundraising and communications	43	41	43	41
Finance and IT	13	12	13	12
HR and administration	11	12	11	12
Total	416	334	355	297

*) additionally, 467 teachers in the country programme for Uganda on 31 December 2018

PERSONNEL EXPENSES	2018	2017	2018	2017
Salaries and remuneration paid from Finland	7 997 590,22	7 799 749,88	7 997 590,22	7 799 749,88
Pension costs paid from Finland	1 032 651,80	995 878,34	1 032 651,80	995 878,34
Other social costs paid from Finland	153 063,32	237 424,40	153 063,32	237 424,40
Salaries and social costs paid from country offices	3 096 691,71	3 247 370,54	2 330 381,34	1 952 147,94
Total	12 279 997,05	12 280 423,16	11 513 686,68	10 985 200,56

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.

	2018	2017	2018	2017
Board meeting fees	11 820,00	11 955,00	11 820,00	11 955,00

The meeting fees for 2018 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	2018	2017	2018	2017
Audit	18 727,10	20 859,90	18 727,10	20 859,90
Assignments	34 438,40	17 143,00	34 438,40	17 143,00
Tax counselling	1 488,00	3 436,04	1 488,00	3 436,04
Local auditing fees for country offices	147 043,14	168 784,39	104 654,03	109 309,90

Acquisitions entered as expenses during the current period	2018	2017	2018	2017
IT software and licences	234 352,58	187 662,77	234 352,58	183 406,75
Machinery, IT hardware and equipment	94 139,10	216 961,41	70 051,31	142 666,28

NOTES TO THE FINANCIAL STATEMENTS OF 31 DECEMBER 2018

3. NOTES TO THE BALANCE SHEET

	Group	Group	Parent	Parent
	2018	2017	2018	2017
INTANGIBLE AND TANGIBLE ASSETS				
MACHINERY AND EQUIPMENT				
Acquisition expenses on 1 Jan.	633 636,86	612 036,18	633 636,86	612 036,18
Additions during the financial period 1 Jan. – 31 Dec.	27 335,06	21 600,68	27 335,06	21 600,68
Deductions during the financial period 1 Jan. – 31 Dec.	0,00	0,00	0,00	0,00
Acquisition expenses on 31 Dec.	660 971,92	633 636,86	660 971,92	633 636,86
Accrued depreciation according to plan on 1 Jan.	-513 874,59	-460 129,92	-513 874,59	-460 129,92
Planned depreciation for the period on 31 Dec.	-57 140,53	-53 744,67	-57 140,53	-53 744,67
Book value on 31 Dec.	89 956,80	119 762,27	89 956,80	119 762,27
PLANNED DEPRECIATION				
IT software	0,00	0,00	0,00	0,00
IT hardware, machinery and equipment	-57 140,53	-53 744,67	-57 140,53	-53 744,67
Total	-57 140,53	-53 744,67	-57 140,53	-53 744,67
SHARES AND OTHER INTERESTS				
FCA Investments, Helsinki, 100%	2 500,00	2 500,00	2 500,00	2 500,00
Omnia Education Partnerships Oy, 20%	75 500,00	50 500,00	75 500,00	50 500,00
Total	78 000,00	53 000,00	78 000,00	53 000,00
OTHER RECEIVABLES				
Market value	6 863 293,69	6 404 426,64	6 863 293,69	6 404 426,64
Book value	6 890 046,98	6 304 942,92	6 890 046,98	6 304 942,92
Difference	-26 753,29	99 483,72	-26 753,29	99 483,72
Other receivables are investments held within capital redemption policies that are capital-guaranteed on their due date.				
PREPAYMENTS FOR PROJECTS				
Receivables from partners	723 669,56	612 629,14	703 942,74	950 146,11
Other prepayments	0,00	1 660,26	0,00	1 660,26
Total	723 669,56	614 289,40	703 942,74	951 806,37
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				
Receivables from KELA, 2018	30 400,00	66 925,00	30 400,00	66 925,00
Insurance premium receivables	84 048,97	25 106,73	84 048,97	25 106,73
Donation receivables carried forward	1 049 488,95	668 292,40	1 049 488,95	668 292,40
Aid prepayments	638 161,50	870 436,68	638 161,50	870 436,68
Deferred interest	7 205,24	0,00	7 205,24	0,00
Other receivables carried forward	12 162,17	36 714,12	12 162,17	151,07
Total	1 821 466,83	1 667 474,94	1 821 466,83	1 630 911,88
OTHER RECEIVABLES	628 283,80	584 780,90	633 076,85	559 827,37

NOTES TO THE FINANCIAL STATEMENTS OF 31 DECEMBER 2018

	Group	Group	Parent	Parent
	2018	2017	2018	2 017
CHANGES IN EQUITY				
Basic capital	33 637,59	33 637,59	33 637,59	33 637,59
Other funds allocated to specific activities	2018	2017	2018	2 017
Donation Fund, opening balance on 1 Jan.	4 136 846,48	3 126 511,76	4 136 846,48	3 126 511,76
Additions during the financial period	3 432 240,32	5 263 844,85	3 432 240,32	5 263 844,85
Aid during the financial period	-5 623 873,27	-4 253 510,13	-5 623 873,27	-4 253 510,13
Donation Fund capital on 31 Dec.	1 945 213,53	4 136 846,48	1 945 213,53	4 136 846,48
Disaster Fund, opening balance on 1 Jan.	1 519 509,47	2 512 719,74	1 519 509,47	2 512 719,74
Additions during the financial period	2 584 575,04	1 656 181,09	2 584 575,04	1 656 181,09
Aid during the financial period	-2 441 281,13	-2 649 391,36	-2 441 281,13	-2 649 391,36
Disaster Fund capital on 31 Dec.	1 662 803,38	1 519 509,47	1 662 803,38	1 519 509,47
Women's Bank Fund capital on 1 Dec.	2 159 310,53	1 666 704,53	2 159 310,53	1 666 704,53
Additions during the financial period	1 843 179,37	1 733 291,27	1 843 179,37	1 733 291,27
Aid during the financial period	-1 757 356,86	-1 240 685,27	-1 757 356,86	-1 240 685,27
Women's Bank Fund capital on 31 Dec.	2 245 133,04	2 159 310,53	2 245 133,04	2 159 310,53
Aid Fund, opening balance on 1 Jan.	117 517,38	117 392,77	117 517,38	117 392,77
Additions during the financial period	151,32	249,22	151,32	249,22
Aid during the financial period	-75,66	-124,61	-75,66	-124,61
Aid Fund capital on 31 Dec.	117 593,04	117 517,38	117 593,04	117 517,38

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.

	2018	2017	2018	2 017
Surplus from previous periods on 31 Dec.	5 011 716,85	5 006 572,27	5 011 716,85	5 006 572,27
Surplus/Deficit for current period	-533 070,43	45 030,90	-534 037,76	5 144,58
EQUITY ON 31 DEC.	10 483 027,00	13 018 424,62	10 482 059,67	12 978 538,30

	2018	2017	2018	2 017
PREPAYMENTS RECEIVED				
MFA Humanitarian Assistance unit	1 603 919,20	1 556 612,25	1 603 919,20	1 556 612,25
Other MFA	311 216,13	73 871,45	311 216,13	73 871,45
United Nations	288 751,32	0,00	288 751,32	0,00
EU	2 007 852,80	499 561,62	2 007 852,80	499 561,62
Other international funding parties	194 811,86	711 952,55	194 811,86	766 825,51
UNICEF	123 117,26	284 148,00	119 779,99	31 850,86
EU humanitarian assistance	426 970,46	0,00	426 970,46	0,00
Other public aid	0,00	12 329,37	0,00	12 329,37
ACT	38 466,93	113 437,60	38 466,93	113 437,60
Budget contributions from parishes	234 501,53	152 426,28	234 501,53	152 426,28
Total	5 229 607,49	3 404 339,12	5 226 270,22	3 206 914,94

Other prepayments received comprise aid targeted at specific projects.

	Group	Group	Parent	Parent
	2018	2017	2018	2 017
ACCRUALS AND DEFERRED INCOME				
Holiday pay liabilities	1 241 268,53	1 244 250,16	1 241 268,53	1 244 250,16
Statutory insurance premium liabilities	12 840,66	73 987,82	12 840,66	73 987,82
Debts to projects	188 601,08	257 386,73	188 601,08	257 386,73
Other accruals and deferred income	129 902,95	210 565,20	32 077,98	41 887,72
Total	1 572 613,22	1 786 189,91	1 474 788,25	1 617 512,43

LEASING LIABILITIES

	2018	2017	2018	2 017
Open leases, rental of multifunction printers				
Total amounts payable (excl. VAT)				
Due in the next financial year	1 680,00	2 509,84	1 680,00	2 509,84

NOTES TO THE FINANCIAL STATEMENTS OF 31 DECEMBER 2018

RENT LIABILITY ON BUSINESS PREMISES

Eteläranta 8, 00130 Helsinki	Due in the next financial year	2018 584 513,37	2017 573 052,32	2018 584 513,37	2 017 573 052,32
	Due later	2 833 771,83	3 418 285,19	2 833 771,83	3 418 285,19

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.

The accounting of the country offices is kept in the Inuit QuickBooks financial administration system.

Financial Statements	TP		Financial Statements
Book of first entry and nominal ledger			Electronic
Ledgers			Computerised bookkeeping
Bank documents	Nordea Bank Aktia Bank OP Bank Sampo Bank SHB Tapiola Bank Nooa Bank Pop AAB Oma Säästöpankki	Nordea Bank Aktia Bank Helsinki OP Bank Danske Bank Handelsbanken S Bank Nooa Bank Suupohja OP Bank Ålandsbanken Oma Säästöpankki	Electronic Electronic Electronic Electronic Electronic Electronic Electronic Electronic Electronic Electronic
Petty cash	Petty cash		Electronic
Purchase invoices	OPUS PURCHASE Purchase invoice+ Purchase refund+ Purchase payments	Opus invoices Purchase invoices Purchase refund invoices Purchase invoice payments	Electronic Electronic Electronic Electronic
M2 travelling and expense invoice:	MKAksi		Electronic
Sales invoices	Sales invoices+ Sales refunds+	Sales invoices Sales refund invoices	Electronic Electronic
Salary receipts	Salaries 18		Electronic
Memorandum receipts	Memorandum 18		Electronic
WeFood transactions	WF		Electronic
Field transactions	FO KAHDEK		Electronic
Corrective receipts	Correction 18		Electronic
E-Invoices	TITOEL	Tito e-invoices	Electronic

FINN CHURCH AID FOUNDATION

DATE AND SIGNATURES TO THE FINANCIAL STATEMENTS AND ANNUAL REPORT

Helsinki, 8 April 2019

Tarja Kantola, Chair

Olli-Pekka Silfverhuth, 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

Jouni Hemberg, Executive Director

FINANCIAL STATEMENT ENTRY

A report has today been issued concerning the audit performed.

_____, _____ 2019

KPMG Oy Ab, Authorised Public Accounting Firm

Heidi Vierros
Authorised Public Accountant in Finland