

# **FINN CHURCH AID FOUNDATION FINANCIAL STATEMENTS AND ANNUAL REPORT**

**For the period 1 January 2020 – 31 December 2020**

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**FINN CHURCH AID FOUNDATION**

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## Annual Report

### 1. 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 relief work, and advocacy work and to invest in small and medium-sized enterprises in the developing countries.

FCA operations have a legal basis and follow international human rights standards and principles. The programme activities of the Foundation are 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 be provided with assistance and protection, without exceptions.

### 2. Changes in the Operating Environment

Finn Church Aid focused its activities on the world's most fragile and challenging operating environments in accordance with its strategy. The pandemic that began at the beginning of the year under review had a strong impact on FCA operations both in Finland and around the world. The incidence of numerous outbreaks caused by the SARS-CoV-2 virus in Finland and the programme countries made it difficult to carry out our operations. In Finland, the Helsinki office switched to remote work in March as containment measures were initiated. The year was challenging, especially for domestic fundraising in Finland. Furthermore, there were elections in many countries of operation, followed by deteriorating security situations and unexpected disasters (mainly conflicts and natural disasters), which hindered the implementation of the long-term programmes of the organisation in almost all of our fragile programme countries. Nevertheless, our work was fruitful once more and several hundred thousand people in different parts of the world were provided with aid through us. The content of the programmes was developed to correspond with the changed situations. Our activities with immigrants in Finland continued as well despite the many restrictions.

The principles of sustainable development form the mutual goals of the 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 into the development sector is in line with the principles of sustainable development. The role of these operators has grown 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. FCA Investments Ltd, the investment company of the FCA, continued to make loan-based investments during the year under review. Vocational education and training and particularly entrepreneur training have proven fruitful. "From learning to earning" is the motto of our work with women and youth in many of our country programmes. One example of a new opening worth mentioning is the introduction of entrepreneur education to the creative industries on an experimental basis.

The international funding of the FCA also developed favourably in 2020 and the international funding bodies continued to show interest in FCA operations. The sum of private donations and church-based collection income fell due to the restrictions imposed by the pandemic.

### 3. Finn Church Aid Countries of Operation in 2020

At the beginning of 2020, Finn Church Aid had country-specific programmes in 12 countries. The programme was halted in one country during the year.

<b>Africa</b>	<b>Asia</b>	<b>Middle East</b>
Eritrea, South Sudan, Kenya, Central African Republic, Uganda, Somalia	Cambodia, Myanmar, Nepal	Israel and Palestinian Territories (IOPT), Jordan, Syria

In addition to the aforementioned countries, Finn Church Aid carried out humanitarian aid programme activities in Bangladesh, Lebanon and Mozambique.

In Liberia, the FCA continued to support the programme activities of its local partner organisation, the Serving Humanity for Empowerment and Development Foundation (SHED). The Eritrean country office was closed in February 2020 and the activity as a whole was terminated by the end of 2020.

The FCA serves as the secretariat of the Network for Religious and Traditional Peacemakers. The Network for Religious and Traditional Peacemakers had projects in several countries where the FCA has no operations: for example, in North East Asia. In Finland, our peace work focused on efforts with immigrants and the prevention of violent extremism.

The action models and activities in the Finn Church Aid projects and programmes will be discussed through a few examples in the thematic section of this report, also referring to new initiatives made during the year. The numerical and qualitative overall picture will be reported in the annual report of the global programme.

### 4. Finn Church Aid Operations by Theme

The work of Finn Church Aid is divided into three themes that are essential for bringing about sustainable change. The themes are related to the rights of the individual, meaning that everyone has the right to live in peace, to be provided with high-quality education, and to earn a sustainable livelihood. These themes are interrelated and mutually dependent. In all its work, the FCA takes into account gender equality, equal opportunities for participation, conflict sensitivity and climate issues.

## 4.1 Right to Quality Education

During the year under review, the new strategy bred the creation of guiding documents for quality assessment and assurance for the domains of expertise covered by the Right to Quality Education. Our educational work focuses on four domains of expertise, namely education in disasters, vocational education and training, teacher training, and education sector development. Due to the COVID-19 pandemic, the FCA had to switch from supporting classroom-based contact learning to supporting distance education and preparing for rapid transitions from one teaching mode to the other in most of its countries of operation during 2020. When instruction could not be arranged as planned due to the restrictions of the COVID-19 pandemic, the humanitarian aid programme activities in Bangladesh sought new solutions for the remote implementation of educational activities.

**In Cambodia**, the strengthening of the country's education system continued through adjusted activities although the COVID-19 pandemic did hamper project work. A total of 84 student counsellors benefited from the basic student counselling training arranged by the FCA while 60 new student counsellors, 30 of whom were women, began the second phase of their basic training. Student counselling benefited 18 upper secondary schools and six lower secondary schools. The Dream School project established mobile learning centres to support students and their families, acquired tablets to support the students' distance learning, and distributed distance education packages to the children. To promote reading and writing skills, we began a book club activity for third-grade students in the target area. More than 80 children regularly participated in these book clubs, which convened twice a week in the pilot schools. The FCA also continued to support a safe school environment.

**In Nepal**, 439 students (231 girls, 208 boys) from the Dalit and former serf communities received learning materials and scholarships that furthered their schooling. Moreover, 332 women and 38 men received short-term vocational training in raising poultry, processing ginger, preparing worm compost, weaving, sewing, and cultivating vegetables for sale. A total of 23 cooperatives were further strengthened through various kinds of training in subjects, such as cooperative management, bookkeeping, computer use, and documentation, among others.

**In Myanmar**, the country programme continued to engage in cooperation with the Ministry of Education and drew up an agreement on cooperation for the integration of student counselling and guidance into the education system of Myanmar. The student counselling project has been piloted in four convent schools, situated in the suburbs of Yangon, where groups and individuals have been given student counselling. Meetings with the parents and communities have been arranged as well. Furthermore, the FCA continued its cash allowance programme for the support of education in conflict areas located in the northern part of the country. Children of the most vulnerable households received cash and other emergency support for education and the meeting of urgent needs that have arisen from conflicts and COVID-19 restrictions.

**In the Palestinian Territories**, a pedagogical manual on distance education was designed for teachers for the development of the education sector in the West Bank. This work was carried out with the support of volunteer specialists from the Teachers Without Borders network. In East Jerusalem, 60 at risk of marginalisation were provided with a support

person of their own and participated in leisure activities and training to enhance their life skills. Due to the COVID-19 epidemic, these activities were partly carried out online. The same project trained 72 young adults, each of whom will volunteer as a support person for children.

**In Jordan**, the country programme offered a total of 457 participants entrepreneurship training in social entrepreneurship, the creation of new businesses and the expansion of existing ones. Due to the COVID-19 epidemic, the country programme piloted transferring the entrepreneurship training and subsequent business coaching activity online. Aside from this, 3,526 Syrian young people living in refugee camps studied English, mathematics, and everyday financial management skills. The country programme also offered leisure activities, such as a circus, sports and music to 2,626 young people in the refugee camps. After the COVID-19 epidemic restricted gatherings and the access of the staff to the camps, these activities were carried out through a mobile application.

**In Syria**, the country programme supported the repair of 11 school buildings, after which 5,037 pupils were able to study in safe, renovated facilities. Moreover, 3,000 students were provided with school supplies and school uniforms. Finn Church Aid became the first international operator to offer distance education in various forms during the COVID-19 pandemic, with 2,819 students participating. Aside from this, 448 school drop-outs managed to return to formal school education thanks to the remedial education arranged by the FCA country programme. Due to the COVID-19 epidemic, pupils and their families were also provided with hygiene kits, which were distributed to 3,670 households.

**In the Central African Republic**, the FCA supported six youth peace clubs in Bangui, Berbérati and Bozoum. The young people participated in training to enhance their knowledge and competence in peace work and rumour management. A total of 70 young people (31 women and 39 men) participated in this training. After training, the youth peace clubs were supported in the peace work they do in their communities by arranging a total of 66 coaching sessions. The COVID-19 epidemic weakened the livelihoods of young people. The country programme arranged entrepreneurship training and distributed materials supporting entrepreneurial activities. Hygiene kits were also distributed in the young people's communities and 27 radio campaigns were organised to stem the COVID-19 pandemic.

**In South Sudan**, the COVID-19 pandemic hindered the implementation of the country programme with school closures and assembly restrictions. The FCA distributed hygiene supply kits and informational materials to stem the pandemic in Aweril County and Jonglei State. The qualification of teachers was supported by arranging continuing education for 27 teachers. The teachers who participated in this training were also provided with guidance by tutors. The country programme supported the inclusion of women and youth in peace work. Peace committees of women and youth (15 men and 45 women) were set up in Juba. The committee members participated in some training which enhanced their competence in peace work and conflict prevention and resolution.

**In Somalia**, 4,128 children (1,843 girls and 2,285 boys) participated in education provided in ten different schools with either new or refurbished school buildings. Of these children, 2,477 were internally displaced. A total of 3,543 children (1,589 girls and 1,954 boys) attended an official comprehensive school while 585 students (254 girls and 331 boys)

participated in an accelerated learning programme that enables refugee children and youth to return to formal education after having to interrupt their schooling earlier due to natural disasters, conflicts or exile. The FCA supported quality instruction by paying salaries to 120 teachers and enhancing the pedagogical skills of teachers through training.

**In Uganda**, the country programme supported the distance learning of 118,939 students (106,261 primary and 12,678 secondary students) after the closure of schools in March following the outbreak of the COVID-19 pandemic. FCA projects guided teachers in new ways of working due to the extraordinary circumstances. The FCA both supported the arrangement of distance education and offered teachers the guidance they needed. The country programme distributed distance learning kits to students, organised information campaigns on the prevention of COVID-19, and arranged radio education and small group learning. Aside from this, 3,858 learners participated in accelerated education programs supported by home education and child protection. The FCA reached more than 100,000 people through an information campaign on alternative ways of learning and measures to prevent COVID-19 infections. The campaign helped to ensure that children's lives were safe and healthy despite the closure of schools. During the campaign, awareness was raised via radio, community meetings, megaphones and PA systems. The COVID-19 pandemic hampered the implementation of vocational education and training. The Ugandan country programme responded to the challenges by developing a new model called Community Based Training, which involved training young people in small groups with the help of local artisans, whereby the young people were able to continue with their studies. Two vocational training centres supported by the FCA trained 842 young people (340 in Rwamwanja and 502 in Kyaka).

**In Kenya**, 19,203 children (11,016 boys and 8,187 girls) received instruction in six primary schools and six nursery schools in the Kalobeyei region. Moreover, 2,031 children (1,104 boys and 927 girls) received instruction in West Pokot County. Local and refugee children alike participated in this schooling. A total of 180 teachers and 65 school administration members received training in pedagogical skills and the promotion of comprehensive, quality education for the improvement of the quality of learning outcomes. The educational quality was also improved by building and refurbishing school buildings, lavatories and school kitchens and by acquiring furniture for the classrooms. In the spring, COVID-19 restrictions had an impact on the implementation of the education programme in Kenya. The closure of schools and the transition to distance education had a material impact on the operations, so the FCA quickly adjusted its operations after the restrictions came into force. The education projects distributed radios, which enabled schooling to continue remotely. Teachers visited the students' homes, thus supporting their studies. WhatsApp was used to support the teachers. In 2020, the first early childhood teacher training programme and instructor's guide in the history of the FCA were also developed in Kenya. Due to the COVID-19 situation, suitable materials for both distance and contact learning were made for this purpose.

In 2020, the implementation of the Right to Quality Education was marked by the state of emergency caused by the COVID-19 pandemic. Although this was primarily a health crisis, it had many indirect impacts on how the right to learn was fulfilled in the various countries. For distance education, the projects supported by the FCA used conventional teaching

methods (e.g., written learning materials), analogical distance education equipment (radio education), and digital equipment (computers, but also various smartphone applications, such as WhatsApp). The rapid transition between distance, contact and hybrid learning depending on the situation says something about the agility of the FCA as an operator. In the quick turn of events arising from the pandemic, seamless cooperation with Teachers Without Borders (TWB) has been especially important.

In 2020, FCA education sector specialists together with TWB volunteers devoted efforts, especially to carry out teacher training through distance education. Moreover, they produced a large number of teacher training programmes from early childhood education to psychosocial support and the mobile mentoring of teachers. It was important to train teachers to use even the slightest possibilities in existence. To guarantee quality learning and avoid school-leaving, personal guidance and instruction are necessary especially during a period of distance education. Various technical devices create opportunities for this. Most of the children and youth in the world live in developing countries with few opportunities for versatile distance education and this will inevitably have an impact on the learning outcomes.

According to UNESCO, more than 800 million students (that is, more than half of the world's student population) still experience significant interruptions in their education one year after the outbreak of the COVID-19 pandemic. The interruptions range from total school closure (in 31 countries) to study programmes offered part-time (in 48 countries).

## 4.2 Right to Livelihood

The *Right to Livelihood* strategy of Finn Church Aid was completed in 2020. The operations focus on providing support for entrepreneurial activities and the process of finding employment in rural, urban and refugee contexts alike. Women and youth remain the main target groups. The year 2020 was marked by the COVID-19 pandemic, the manifold impacts of which on the livelihoods of women, youth and communities will emerge over time. As immediate project-level measures, training and guidance were transferred to the online and mobile environment and this activity is likely to also continue after the pandemic. The projects developed new forms of support for the livelihoods of both businesses and individuals. For example, they ensured the supply of inputs and especially the transport of agricultural products to the markets. Furthermore, production was directed where there is demand even during a pandemic: to industries such as face mask and hygiene product manufacturing. The projects also supported the restructuring of loans. In terms of humanitarian aid, there was an increasingly systematic focus on cash allowances to support the recovery of business activity.

**In Cambodia**, the FCA continued to support 17 women's cooperatives: for example, by supporting cooperative management and raising digital marketing competence. A total of 20 new producer groups were launched during the year. The second project of the country programme supported the water supply of two village communities by building two water basins and repairing one school water basin. A total of 420 community members, 252 of whom were women, received additional information on matters related to land use, land



use registration, and land and family rights. The projects also helped to establish seven youth groups whose members gained benefit from human rights education and received more information on educational rights.

All livelihoods projects adjusted their activities to the COVID-19 pandemic. Among other things, cash allowances and food aid were distributed initially to 322 households and later to 321 more households. These aid distribution events were utilised in the anti-pandemic effort by raising awareness of the disease and distributing hygiene supplies to the members of village communities. Especially the events that provided information on the pandemic to returning guest workers were of significance.

**In Nepal**, the FCA responded to the COVID-19 situation by redirecting project funds to both humanitarian aid (food aid and hygiene supplies) and early recovery activities (e.g., seed distribution, support for the acquisition of livestock/poultry and raw materials for small businesses). All in all, 1,600 farmers (1,554 women) and 555 livestock breeders (443 women) were provided with material support to improve their livelihoods. A total of 77 businesses owned by women were officially registered with the relevant government agency, which gave them legitimacy and created the possibility of getting regular support from the local government. An interest subsidy on a loan was granted to 296 female members of cooperatives to ease the financial burden encountered during the pandemic.

**In Myanmar**, the humanitarian aid programme in the northern and western parts of the country continued, focusing on food security and livelihoods. The country programme distributed cash allowances in Kachin and strengthened the women's livelihood programme in Rakhine. Through the livelihood programmes supported by Women's Bank, the country programme reached women in the poor and remote communities of Kayin and Rakhine States. These projects had an impact on the women's financial situation, as well as their participation and scope of influence within the communities. Through cooperation between the FCA and its partners, versatile training material on entrepreneurship and craftsmanship, entitled the Myanmar Artist Toolkit (MAT), was completed as well. This training material was refined into educational videos and introduced to the projects.

**In Jordan**, 285 entrepreneurs received start-up grants and advice to support the establishment of new businesses or the expansion of existing ones. Furthermore, 125 women participated in debating events organised in the local communities, which addressed the challenges of entrepreneurship for women.

**In the Central African Republic**, the FCA supported the agricultural and small business activities of 39 women's groups situated in Bozoum of the Ouham-Pendé Prefecture. A total of 436 women from 21 different women's groups participated in agricultural training, which enhanced their competence in agricultural techniques. After training, the groups were distributed agricultural equipment and seed and provided with support for founding allotments. A total of 25 women from 12 women's groups participated in entrepreneur training, which looked at business operations, bookkeeping and marketing. To provide support for raising small livestock, pigs were distributed to six women's groups.

**In Uganda**, 1,250 women of the unofficial population in the Kampala and Wakiso districts received quality business education and got to participate in the activities of

50 recently establish savings and loans groups. Female beneficiaries (in total, 3,750 in 2018–2020) were able to set up new businesses through newly established savings and loans groups or loans from 100 savings and loans groups established earlier. The total number of private and group businesses established in 2020 was 2,554. These businesses, set up and run by women, also created 152 new jobs.

**In Somalia**, a survey was conducted on the status of young people who had received vocational education and training in previous years. According to the survey, 230 young people (170 women and 60 men) felt that their technical, vocational and business skills had improved. Of the young people, 21 (10 women and 11 men) had found paid employment, 47 (37 women and 10 men) had become self-employed. Moreover, 24 new businesses had been created, 23 of which had been founded by women. These 24 new enterprises employed a total of 71 people (50 women and 21 men), improving the employment of young people in the area as well as the local economy. In 2020, the FCA also launched a new vocational training project where 35 students enrolled in the clothing design and sewing study programme at the end of the year. The project will continue in 2021.

**In Kenya**, a livelihood project linked to climate change prevention began among the vulnerable communities in Baringo. Young people were trained in modern bee-keeping, after which groups of youth received beehives to improve their livelihoods.

**In South Sudan**, the FCA supported the survival of vulnerable households affected by the conflict and living in the poorest situation in terms of food security in Old Fangkak by providing food security and monetary aid. Overall, the FCA reached 2,500 households (15,000 people), of which 1,345 households were led by women. Monetary aid was received by 687 households led by women and 313 households led by men. Training for the formation of farmer and fisher groups provided support to 655 agricultural households led by women, 345 agricultural households led by men, and 500 fishing households. These households were also supported by distributing farming and fishing equipment.

**Women's Bank** reformed its strategy in 2020, as well as the objectives of the project work it financed. These objectives were promptly put into practice. With increasing clarity, the operations are becoming focused on support to women's business activities through various means and increasing cooperation with the private sector. The impact objective is for 80% of the supported women to have access to a sustainable livelihood. Furthermore, an annual budget was set aside for the development and launching of new forms of activity. In 2020, Women's Bank funded a total of 12 projects in six countries of operation. A laying house for chickens, established in Uganda with money from Women's Bank, began egg production under the Chiggi brand as well. At the start of the COVID-19 pandemic, the main objective was to secure the results already achieved and prevent supported women from slipping back into poverty. Some of the project funds were directed toward emergency support to livelihoods.

### 4.3 Right to Peace

The peace work of Finn Church Aid supports comprehensive involvement and women, youth, refugees, and religious and traditional operators are at the hub of it. In 2020, the FCA continued its efforts for the promotion of inclusive peace at the national and local levels of the African and Asian country programmes. With the COVID-19 pandemic,

peace work has increasingly sought to exploit technological solutions and promote links with other thematic priorities and forms of activity. The *Right to Peace* strategy was adopted in January 2020, after which putting the strategy into practice has involved, among other things, promoting internal peer learning and the exchange of information about peace work within the FCA.

**In Kenya**, the FCA has achieved an established position in the field of community-level peace work together with local operators, the provincial administration, and the national government. Active advocacy work for peace continued in the Keria Valley region. More than 700 people there received training in peace negotiations, reconciliation and peace-building. The women and youth actively participated in the local peace work and acted as the community agents of change in the reconciliation and peace processes. Furthermore, the Peace Network is bolstering confidence between the religious minorities and the public authorities in Kenya and supporting the fulfilment of constitutional rights and religious freedom. A total of 117 leaders (69 men and 48 women) participated in the network's peace training in the counties of Kwale, Kilifi, Mombasa and Garissa.

**In Uganda**, 123 young people were supported through vocational education and training to avoid being exposed to violent extremism. They were also offered a variety of forums through which they could engage in dialogue with various stakeholders on how to increase their active and meaningful participation in civic activities. The FCA provided indirect support to 60,000 young beneficiaries through an annual Peace Gala organised in honour of the International Day of Peace of FCA partner Uganda Muslim Youth Development Forum (UMYDF). The intention was to get young people to respond to the threats and risks posed by violent extremism. This event served as an advocacy forum for young people to participate in the peace processes. On the same occasion, world leaders were encouraged to take a look at peace considering both the pandemic and the increased susceptibility of young people to violence.

**In Somalia**, the FCA and its partner organisations have played an important role in bringing various operators on the national and local levels together to support the reconstruction of the local government and the State. In October 2020, regional councils were successfully established in the Afmadow area of Jubaland State and the South Galkayo area of Galmudug State. The Council of Afmadow has 21 members (19 men and two women) while the Council of South Galkayo has 27 members (22 men and 5 women). The FCA has supported reconciliation and worked closely with the Ministry of Interior and Federal Affairs and the Ministry of Interior Galmudug State. Local conflicts have been settled especially in Galmudug and thanks to this work, the situation in the area has remained calm. A women's network established through the support of the FCA brought together women's organisations and female activists in South West State of Somalia. The key task of the network has been to create a safety net for women and to influence the government and civil society, as well as the traditional and religious leaders so that the role of women in politics and decision-making might be strengthened. Thanks to this activity, 16 women were elected to the decision-making process of South West State in March 2020; that is, 17% of the elected MPs were women. Some of the women were elected to prominent positions in the State ministries.

**In Cambodia**, the youth project "Changemaker" increased young people's awareness of the pandemic and preparedness for its effects over the past year. Through food aid, the youth project also supported families affected by the pandemic in the Chhaeb District.

The support was accessed by 86 families who had lost their livelihoods or jobs during the pandemic. The project also enhanced the income of these beneficiaries by donating them chickens. Awareness-raising campaigns to prevent the spread of the COVID-19 virus were organised in three different communities.

**In Nepal**, 11 state officials and 238 other people (106 women and 132 men) participated in nine courses offering training in constructive and positive management so that they could combat caste-based discrimination. These courses also enhanced the capacity of law enforcement authorities to enforce anti-discrimination legislation and strengthen human rights. The FCA organised 84 different dialogues, workshops, public hearings and information events about caste-based discrimination and the existing anti-discrimination laws. The total number of people who participated in these was 5,495 (including 3,115 women) along with 66 government representatives. Moreover, 1,020 women and 50 men participated in 51 community-level dialogues aimed at reducing gender-based violence and raising awareness of the importance of male participation in the promotion of equality.

**In Myanmar**, the FCA and the Myanmar Council of Churches took an inter-faith teaching guide they had developed, revised it based on feedback from various users, and officially published the book in December of 2020. Representatives of other religions have also expressed an interest in this kind of guide intended for children's education. Through a peace project in Kayin, 766 people received information about the peace process at events organised in an area covering 15 villages. Moreover, 43 members of the women's committees in those villages participated in some training on peace-building and the peace process.

**In the Central African Republic**, young people played an important role in peace mediation work. In Bangui, Berbérati and Bozoum, 71 young people (28 women and 43 men) participated in some training that covered conflict prevention, peace education, and rumour management. After training, the FCA supported the young people's peace groups in their activities. The groups organised peace mediation campaigns at their various locations, reaching a total of 3,900 community members. In cooperation with Religions for Peace and the Network for Religious and Traditional Peacemakers, the FCA also organised two workshops, which planned the efforts for the following three years and brought together local and international operators. A delegation of ten people from the Central African Republic participated in the great World Assembly of Religions for Peace, where they were able to engage in advocacy work before 900 operators.

**In South Sudan**, an opportunity for the Dinka and Murle people to engage in dialogue was arranged at Manybol to find peaceful solutions to problems among the communities and conflict prevention. The peace dialogue brought together 100 members of both communities and administrations. The peace dialogue succeeded in getting the participants to identify some of the factors which had led to the emergence of the conflict, to create a peace treaty, and sign it together. The FCA strengthened the peace mediation work competence of women and young people in Gumuruk and Pibor by arranging training and workshops for 80 women and 80 young people.

In Israel, 47 workshops focusing on social issues were organised at local secondary schools and 304 students from various backgrounds participated in them. Six facilitators were trained to lead these workshops.

**The Network of Religious and Traditional Peacemakers** began the implementation of *Strategy 2020–2025* by increasing activity and changing it to respond to the challenges of the COVID-19 pandemic. In 2020, the Peace Network had seven projects and several support processes in South and South East Asia, Europe, the Middle East, North Africa and sub-Saharan Africa. Two new consortium projects began in 2020. The first of these, called **PAVE**, examines the causes of radicalisation and seeks to prevent such in the Balkans, North Africa and the Middle East. The second one, called **AHA!**, seeks to contribute to the measures against the COVID-19 pandemic by preventing hate speech and conflicts and by building social cohesion in South Asia. The programme also supported 87 grassroots peace actors through a grant scheme. The Peace Network carried out global peace work, for instance, through advocacy work and by networking and generating information on global, regional and national forums. It also carried out a research project on the role of religious and traditional leaders in the peace processes in the Central African Republic, as well as conflict analysis and a report on the role of women in peace work in Somalia. Moreover, the Network organised 18 events, entitled *Socially Distant Town Hall*, which focused on the impacts of the COVID-19 pandemic in the context of peace work.

## 5. Humanitarian Aid

The humanitarian relief work of Finn Church Aid showed the great number of protracted crises around the world. Almost all of the humanitarian aid programmes (for instance, those in South Sudan, Uganda, Somalia, Myanmar, Jordan, Syria and the Central African Republic) focused on supporting refugees or internally migrating people. The FCA continued its programme cooperation with DanChurchAid in Bangladesh for the benefit of the people who had fled there from Myanmar. The programme focused on education and efforts with women.

As the COVID-19 pandemic struck in the spring of 2020, the FCA granted support from its disaster fund and targeted collection funds to the COVID-19 efforts of FCA country offices. In Kenya, Uganda, South Sudan and Somalia, this support was allocated mainly to hygienic and educational work and for enabling school attendance via remote access. Later in the year, the FCA was also able to redirect funding from ongoing development cooperation and humanitarian aid programs to respond to the challenges of the COVID-19 pandemic in a variety of ways.

In the spring of 2020, the FCA completed the education sector programme begun in Mozambique in 2019. The programme built temporary schools, distributed school supplies and trained some of the teachers and local education authorities in the areas hit by Cyclone Idai in the spring of 2019. In early 2020, the FCA also continued to make emergency aid distributions to internally displaced people in North East Syria.

In the autumn of 2020, the FCA and Norwegian Church Aid provided emergency aid in response to the massive port explosion that had taken place in Beirut, Lebanon in August. After the emergency aid phase, the FCA began planning a humanitarian aid programme for the country's education sector. The plans include, among other things, repairing or rebuilding destroyed schools, distributing school supplies, and supporting families in school attendance and their return to normal life. Programme implementation will be launched in early 2021. During the year under review, the FCA continued the preparations to launch humanitarian relief work in North Korea.

The FCA continued to devote efforts to strengthening disaster preparedness at both the country and global levels. The FCA is a strong education sector operator in the global educational cluster and the preparedness team operating in that context. One of the FCA employees spends 50% of their annual working time coordinating the humanitarian relief work of the UN-driven education sector in disaster situations in various parts of the world. The FCA also devoted efforts to livelihood development in its humanitarian aid programme activities and increasingly replaced material aid with cash allowances in the programme countries. Furthermore, the FCA reinforced its connections with international humanitarian aid networks, cooperation partners and funding bodies.

## 6. Advocacy Work

Our advocacy work focused on FCA themes, namely the right to quality education, peace and livelihood, the narrowing of civil society, women's rights, and issues related to development cooperation, humanitarian aid policy and funding. From March onwards, the COVID-19 pandemic and its impacts on developing countries, people in the most vulnerable positions and aid activities alike came to the centre of the advocacy work of the organisation as well.

Over the COVID-19 restrictions, advocacy meetings and events were held virtually in the main. Using new technology, we were able to actively advocate in Finland, but also in FCA programme countries and on international forums.

In our programme countries, we supported and enabled especially the involvement of women, young people, minorities, and religious and traditional actors in decision-making. Among other things, we organised forums and consultations, as well as advocacy campaigns. As a result of our advocacy work, the role of women in politics and decision-making was strengthened in Somalia, for example. We also succeeded in advocating for the distance learning possibilities of children and youth during the COVID-19 pandemic.

In Finland, we devoted efforts especially to the level and allocation of development cooperation funding and to advocacy related to the content of *Finland's Africa Strategy* and the development policy report extending beyond the parliamentary term. We engaged in active and direct dialogue with the decision-makers and made several statements, including some by request of the parliamentary committees; we appeared in the media, held discussion forums, and campaigned in cooperation with other organisations. For its part, our work contributed to the fact that the level of the Finnish development cooperation budget significantly increased despite initial pressures to cut

back. Finland also strengthened its role in solving the global learning crisis, for example, by providing financial support, participating in the effort of the “Global Partnership for Education” and “Education Cannot Wait” funds, and establishing a centre of excellence in education. The FCA was involved in advocating for the Ministry for Foreign Affairs to grant Finnish organisations additional humanitarian aid funding for COVID-19 efforts and support the work of these organisations through various elasticities, such as the temporary withdrawal of the self-financing threshold. We also succeeded in getting a number of the views expressed by the FCA into the draft development policy report extending beyond the parliamentary term. The views of the FCA were also reflected well in the discussions on *Finland’s Africa Strategy*.

At the international level, we joined together with our partners and advocated for raising the level of funding for the global learning crisis. Following the outbreak of the COVID-19 pandemic, we worked together with Education in Emergencies (INEE) and other organisations to draw up recommendations on the safe schooling of children during and after the crisis. Together with ACT Alliance EU, we advocated for the long-term budget and programming of the EU, as well as the *EU-Africa Strategy*.

Through a variety of training, we also devoted efforts to developing the advocacy work capacity of our personnel and partners.

## 7. Development and Growth of the Organisation

At the end of 2020, Finn Church Aid employed approximately 3,000 people in 14 different operating countries, as well as in several European countries and North America. In most cases, the programme countries are war zones or otherwise fragile operating environments. Challenges in finding and retaining professional staff continued, especially in fragile operating environments. The quality assurance work continued during the year under review and the Core Humanitarian Standard verified the continuation of its certification after inspections.

During the year under review, the development of new operational and financial instruments continued. The investment operations of FCA Investments Ltd (FCAI), established by the FCA in 2018, were launched by financing two funds operating in the developing countries and, through direct investments, in Uganda. Capital 4 Development (C4D) is a fund established by our Dutch affiliate, the Interchurch Organization for Development Cooperation (ICCO). The fund is focused on loans to small and medium-sized business activities in several Asian countries. By contrast, the Yield Fund, established in Uganda by the International Fund for Agricultural Development (IFAD), supports SME business activities that are related to agriculture and food production in particular. At the end of the year, preparations were made for new direct investments in Somalia and Uganda.

Omnia Education Partnerships Ltd (OEP), established in 2016, continued its operations. The FCA is a minority shareholder of the OEP. During the year under review, the first joint programme of the OEP and the FCA was implemented with the outcome of 44 refugees in Uganda gaining Finnish entrepreneur qualifications.

## 8. 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 hold a key role in the success and fruitfulness of the operations. Risk assessment and management is implemented on all levels of the organisation both in Helsinki and at the country offices. To support this activity, the FCA has developed a risk management tool. The results of our assessment work point to five current high-risk areas as described in the rest of this section.

**Safety and Security** Finn Church Aid devotes effort to the safety and security of its personnel by developing practices and policies and providing training and orientation for the personnel. Being an integral part of FCA operations, safety and risk management is carried out by preparing for eventualities, averting incidents and accidents, and preventing damage.

In the year under review, the FCA focused increasing attention on personnel security training and its development. In addition to this, the organisation has increasingly developed the training of regional security officers. Their duties include providing daily security work support to the country offices and directors, acting as contact people in case of an emergency, and assisting in field trip risk assessments.

Proactive risk management seeks to prepare for threatening situations and safety assessments take into account a variety of factors that may lead to hazardous situations. The most common ones in 2020 were road accidents and infectious diseases. Moreover, the political situation of the programme countries created a broadly unstable environment.

The year under review was accentuated by the challenges posed by the COVID-19 pandemic. In the early stages of the pandemic, personnel policies on preparedness and hygiene held the key role. As the pandemic expanded and the programme countries stepped up restrictions, including those regarding mobility, we evacuated and repatriated some of our personnel in cooperation with the embassies.

**Quality and Reliability** Difficult operating environments are challenging in terms of maintaining the quality of the operations. Upon joining the Core Humanitarian Standard Alliance (CHS) 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. Among other things, the orientation of personnel to new or revised guidelines and policies demands devoted effort.

**Acquirement of Basic Financing, Unrestricted** The scope of FCA operations and their funding structure have changed significantly during the past ten years. Unlike the income in the action models of other Finnish non-governmental organisations, most FCA income is obtained from international funders. Examples of these include UN organisations and other international organisations, the private sector, the development cooperation authorities of other countries, and development banks.



The growth of international funding entails the provision of increasing internal funding by the organisation. Additionally, as the resources of the funders dwindle, the funders themselves are requiring increasing proportions of internal funding from the organisations. The possibilities of increasing funding through the Finnish collection and donor markets are limited. Failure to increase the self-financing threshold could have an impact on the funding of the technical support that is necessary for projects, which in turn could lead to a qualitative deterioration of our efforts.

**Work Strain, Personnel Availability and Turnover** The COVID-19 pandemic and the ensuing recommendations and restrictions issued by the authorities, as well as the continuing remote work in some countries, have burdened the workplace well-being of the personnel for almost a year. Activities to support and promote well-being have been arranged in cooperation with service providers. The work community has learned new ways of working and being in contact with colleagues.

As the operations grow, FCA country programmes will demand increasing numbers of competent, professional personnel, whose recruitment is difficult for some positions and in some countries. The growing number of personnel contributes to pressure to reinforce the human resources management of the country programmes and, for instance, to provide orientation for new employees. The challenging and dangerous nature of the operational environments also increases the turnover, reducing the length of employment relationships. For the work to continue without interruption as the employees change, we must also ensure the documentation of work tasks and their smooth transfer to the successors. The need for psychosocial support must also be taken into account.

**Financial Risks** In addition to the above-mentioned risks, such as those related to the availability of self-financing, the travel restrictions caused by the COVID-19 pandemic, if protracted, will increase the risks related to financial management. The organisation has a responsible way of working which is integrally linked to being present in the countries of operation and monitoring the performance of the financial processes in the country offices. With the pandemic, this has been somewhat hampered.

**Reputational Risks** The field of relief work is the object of constant scrutiny by the beneficiaries, the funders, the media, and the public, seeking to find errors and failures. Addressing such in a misguided way can backfire as reputational deterioration, but also as the loss of donor confidence.

When joining the FCA, each employee signs the “Code of Conduct”, thereby committing to observe FCA values and rules. Having all-round policies 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 FCA partners and other organisations engaging in aid activities can also cause reputational risks to the whole sector. We can prepare for such eventualities only by ensuring the ethical base and responsibility of our operations. The FCA complaints mechanism is a tool for the improvement of reputation management as well.

## 9. Fundraising

In the area of fundraising, the income from private donors fell, in particular, due to the movement and assembly restrictions caused by the pandemic. The income by bequests grew slightly. Due to the pandemic, taking up collections was hindered as the services moved to a virtual environment. The result of the Common Responsibility Campaign fell as well. An operating subsidy allocated by the Church Council failed to compensate for the fall in donations. Due to this, the result of domestic fundraising as a whole was approximately 10% lower than planned. The fundraising efforts made at the end of the year improved the result that had fallen at the beginning of the year. There were no disasters or conflicts of the kind which normally tend to activate donors and thus the impact of typical disaster communications on other donations fell short. Domestic public funding saw positive development and due to the pandemic, the Ministry for Foreign Affairs also removed the requirement for a self-financing threshold. On the part of foreign public funding bodies, there was significant growth especially in the four FCA countries of operation in Africa. The need for unrestricted self-financing will continue to grow so that the self-financing thresholds of international funding can be covered. New areas of growth were sought by beginning to plan the development of fundraising in the countries of operation.

**The WeFood surplus food supermarket** had to be closed in the spring due to the pandemic restrictions on shopping centres. The shop reopened in June, after which growth in sales has continued steadily. During the spring of 2021, we expect to pass the 250,000-kilogram mark in surplus food sales. WeFood will then have been in operation for just under 2.5 years. WeFood relays surplus food donated by dozens of suppliers, manufacturers, importers, wholesalers, shops and producers. This project involved 160 volunteers.

## 10. Foundation Group Structure

The offices located in Jordan, Kenya and the United States along with Omnia Education Partnerships Ltd (share: 20%) and FCA Investments Ltd (share: 100%), as well as Egg Production (U) Ltd (share: 100%) situated in Uganda, were consolidated into the Finn Church Aid Foundation Group.

The independence process of the Liberian office was completed and a local organisation, Serving Humanity for Empowerment and Development Foundation (SHED), is continuing the operations on the foundation laid by the FCA.

The offices located in Cambodia, the Central African Republic, South Sudan, Somalia, Nepal, Myanmar, Eritrea and Uganda, which are treated as branches, were consolidated into the accounts of the Finn Church Aid parent company. Furthermore, the FCA engaged in humanitarian aid programme activities in Mozambique and Bangladesh with the latter of these operations being carried out together with DanChurchAid. During the year under review, the FCA continued with preparations for a humanitarian operation to be carried out in North Korea. Programme preparations slowed down due to the country's pandemic restrictions.

## 11. Finances

The financial information in the annual report is shown in the following order: group 2020 (group 2019), parent 2020 (parent 2019). Where the figures are the same for the Group and the parent company in 2020, only one figure is given.

Due to the COVID-19 pandemic, 2020 was a challenging year in terms of operations. The pandemic prevented F2F fundraising in 2020, restricted the possibilities of placing international personnel in the FCA countries of operations, restricted travel to those countries for programme monitoring and support, and slowed down programme implementation in several countries. Despite this situation, FCA profits increased especially due to the funds received from institutional donors. Although the amount of ecclesiastical funding fell, private funding held on in this challenging year and succeeded in transferring fundraising activities online. On the expenditure side, the FCA succeeded in carrying out its projects almost according to plan despite the above-mentioned significant operational restrictions in all the countries of operation. However, the restrictions relating to the global pandemic had an impact on programme implementation, which led to savings over the budget and the previous year: for instance, in relief work support functions as international travel, etc. related to our presence in the country offices was reduced. Some of the project delays led to transferring some of the income received to 2021, which was reflected as an increase in the advances received on the balance sheet and in the reserves.

From the Group point of view, the losses incurred by two subsidiaries reduced the result. Egg Plant Ltd in Uganda made a deficit result due to delayed production start-up and the significant impact of this on sales. In Finland, FCA investments gradually launched its investment activity and made a deficit result mainly due to exchange rate fluctuations.

Overall, 2020 was a better year than expected for the Finn Church Aid Group despite the challenging operating environment which made forecasting very difficult.

The result for the financial year 2020 was € 132,187.37 (deficit € 434,879.92). At the year-end, the deficit and the equity totalled €925,222.03 (deficit € 315,644.86) and €10.2 million (€9.0 million), €11.0 million (€9.1 million) respectively. Current receivables totalled €4.9 million (€3.1 million), €5.3 million (€3.4 million), of which advances paid to project partners accounted for €0.8 million (€0.9 million), €1.2 million (€1.2 million). Short-term liabilities totalled €15.4 million, €13.0 million (€10.9 million), of which advances received accounted for €10.3 million (€4.9 million), €10.0 million (€4.9 million). Long-term liabilities remained at the same level €16.0 million (€16.0 million) including a loan to FCA Investments Ltd from the Finnish State. The loan period is up to 18 years from the first draw (2019) and the parent guarantees possible loan losses up to €3.0 million.

EURm	2020		2019		Movem ent	
	Group	Parent	Group	Parent	Group	Parent
<b>Profit/Loss for the current period</b>	0.1	0.9	-0.4	-0.3	0.5 [500%]	1.2 [130%]
<b>Shareholders' equity, including reserves</b>	10.2	11.0	9.0	9.1	1.2 [10%]	1.9 [20%]
<b>Current receivables</b>	4.9	5.3	3.1	3.4	1.8 [40%]	1.9 [40%]
<i>Of which advances paid</i>	0.8	1.2	0.9	1.2	-0.1 [-10%]	0 [0%]
<b>Current liabilities</b>	15.2	14.6	8,7	8.4	6.5 [40%]	6.2 [40%]
<i>of which advances received</i>	10.3	10.0	4.9	4.9	5.4 [50%]	5.1 [50%]

## 11.1 Income

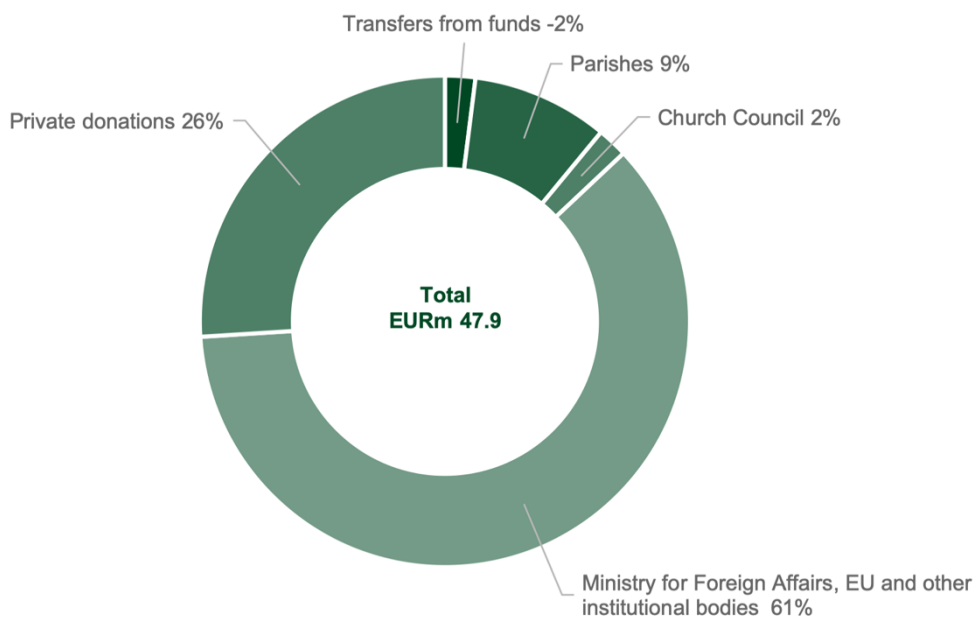
Income for the financial year came to €47,921,036.65 (€45,912,743.25), €46,685,073.59 (€44,706,316.56), corresponding to an increase of 4.4% (group), 4.4% (parent) over the previous year. The income for the financial year includes transfers to funds, which came to € 900,283.31 (transfers from funds €1,031,060.64).

Budgetary allocations from the parishes totalled €3.9 million (€3.9 million). The Common Responsibility Campaign resulted in an income of €0.7 million (€1.3 million) while the subsidy from the Church Council was €1.0 million (€1.0 million).

Funding from the Ministry for Foreign Affairs and Finnish and international institutional funding bodies totalled €30.6 million (€25.2 million), €29.7 million (€24.0 million). The Ministry for Foreign Affairs allocated €7.0 million (€6.4 million) to development cooperation work and €2.5 million (€3.8 million) to humanitarian relief work.

Income from the private sector, including private donations from the parish accounts, totalled €10.8 million (€13.7 million).

### Income 2020, Group



## 11.2 Expenses

Expenses for the financial year totalled €47,788,849.28 (€46,347,623.18 million), €45,759,851.56 (€45,021,961.42 million), representing an increase of 3.1% (group), 1.6% (parent) over the previous year.

Relief work expenses accounted for €42.5 million (€40.7 million), €41.3 million (€39.4 million), including €2.4 million (€2.9 million) in programme planning, monitoring and development costs. Relief work support functions (i.e., communications, fundraising, stakeholder contacts, and general administration) generated the expenses of €5.3 million (€5.6 million).

Actual aid activities accounted for 89.0% (87.9%), 90.5% (87.6%) of all operating expenses while support operations accounted for 11.0% (12.1%), 9.5% (12.4%) of the costs.

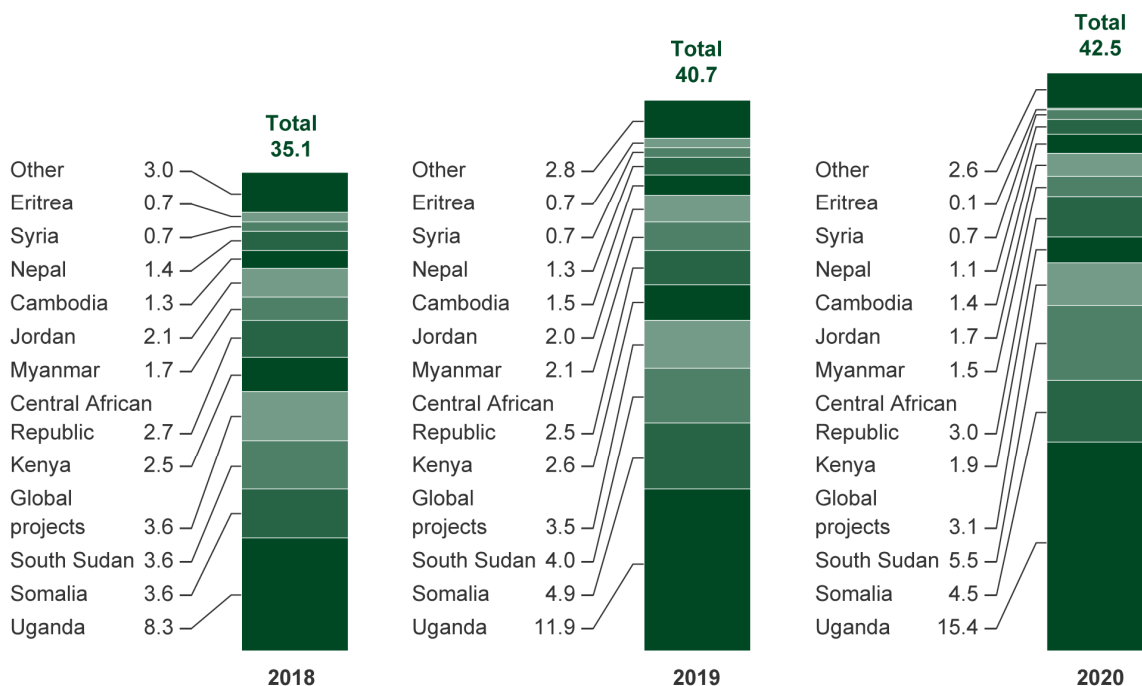
Salaries and fees, including add-on costs, totalled €15.2 million (€14.6 million), €13.7 million (€13.0 million). During the financial year, the FCA invested €0.3 million (€0.3 million), €0.2 million (€0.2 million) in upgrading computer systems and acquiring hardware. Depreciation on fixed assets amounted to €0.05 million (€0.1 million).

The distribution of relief work (including programme planning, monitoring and development costs) is shown below.

€ million	Group	Group	Group
	2020	2019	2018
Uganda	15.4	11.9	8,3
Somalia	4.5	4.9	3,6

South Sudan	5.5	4.0	3.6
Global projects	3.1	3.5	3.6
Kenya	1.9	2.6	2.5
Central African Republic	3.0	2.5	2.7
Myanmar	1.5	2.1	1.7
Jordan	1.7	2.0	2.1
Cambodia	1.4	1.5	1.3
Nepal	1.1	1.3	1.4
Syria	0.7	0.7	0.7
Eritrea	0.1	0.7	0.7
Other	2.6	2.8	3.0
<b>Total</b>	<b>42.5</b>	<b>40.7</b>	<b>35.1</b>

Relief work expenses 2018–2020 (EURm)



12. Personnel

The total number of man-years accumulated was 2,418 (2,019), 2,339 (1,950). The personnel either working in Helsinki or sent from Finland accumulated a total of 157 (167), 151 (160) man-years while the local programme office personnel accumulated a further 2261 (1852), 2185 (1790) man-years. Fixed-term F2F and telefundraising personnel completed a total of 2 (7) man-years in short-term employment relationships. No F2F fundraising personnel were recruited in 2020. Of all the man-years, 137 (136), 127 (127) took place under permanent contracts and 2,281 (1,883), 2,209 (1,823) under fixed-term contracts.

## 13. Administration

The Foundation's Board of Directors convened six times in 2020. Due to the prevailing COVID-19 pandemic situation, four of the meetings were held entirely via remote connection and one as a hybrid meeting. Furthermore, in the autumn of 2020, two orientation webinars were arranged especially for new members, where Finn Church Aid employees presented various areas of FCA operations to the Board.

Until the spring meeting of 2020, the board comprised International Affairs Expert Tarja Kantola as Chair, Vicar Olli-Pekka Silfverhuth as Vice-Chair, and the following ordinary members: Solicitor Tuomas Aho, Director Sixten Ekstrand, Parish Pastor Riikka Hietanen, Bishop Kaisamari Hintikka, Member of Parliament Anna-Kaisa Ikonen, Adjunct Professor (Development Studies) Marjaana Jauhola, Vicar Juhani Lavanko, Journalist Reetta Meriläinen, Ritva Ohmeroluoma (Master of Science (Econ.)), Journalist Aila Paloniemi, and Reverend for International Ministry & Mission Mark Saba.

In the General Meeting of the Church Council on 9 June 2020, a new Board of Directors was appointed to the Finn Church Aid Foundation for the period 2020–2023. The new Board of Directors took up its duties from the spring meeting on 18 August 2020. International Affairs Expert Tarja Kantola was elected as Chair and Bishop Kaisamari Hintikka as Vice-Chair. The following people began their terms as new members: Member of Parliament Atte Harjanne, Professor of Practice Ritva Reinikka, and Hanna Ylikangas (Bachelor of Theology). The following people ended their terms of office: Parish Pastor Riikka Hietanen and Adjunct Professor (Development Studies) Marjaana Jauhola. The other ordinary members continued their terms on the Board.

The expert members invited by the Board were Secretary-General Mari-Anna Auvinen, Director Kalle Kuusimäki, Executive Director Riina Nguyen, Adjunct Professor Jaakko Rusama until April 2020, and Elina Hellqvist (Doctor of Theology) as of May 2020.

### 13.1 Amendments to the By-laws

No amendments to the by-laws were made in 2020.

## 14. Related-party Transactions

Related-party transactions are specified in the Finnish Foundations Act. The following parties are regarded as the related parties of Finn Church Aid:

- The members of the Board of Directors,
- The Executive Director and members of the Management Team,
- The auditor or the accounting firm official who is principally responsible for the audit,
- The members of the administrative bodies of the field offices located in countries where, under local legislation, those administrative bodies have decision-making power.

Additionally, related parties include the family members of the aforementioned parties.

The following organisations are also regarded as related parties:

- The Evangelical Lutheran Church of Finland,
- Any organisation or foundation controlled jointly or separately by one or more of the aforementioned parties.

Finn Church Aid has formulated guidelines for providing information on related-party transactions and such transactions 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 provide an exhaustive list of all the related parties.

## 14.1 Table of Related Parties

Transactions and financial benefits €	Nature of Related-party Relationship				
	1	2	3	4	5
Executive salaries and fees	-	€14,523	€565,122	-	-
B Agreements	€620,436	€90,853	-	-	-
C Support granted	-	-	-	-	-
D Loans given, liabilities and undertakings	-	-	-	-	-

## 14.2 Explanations of Transactions and Financial Benefits

**A** = The salaries, fees, 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 Administrative Council of the Foundation, the Executive Director and his or her deputy, and any authorised representative or other party 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 or 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 leasing, 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 or other such engagements and undertakings in Euro, but also their main terms and conditions, as well as how they are related to the fulfilment of the mission, the forms of activity, and the financial management of the Foundation.



### 14.3 Nature of Related-party 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 Administrative Council of the Foundation and the companies and foundations defined in point 1, as well as their executive directors, deputy executive directors, general partners, and auditors.

**3** = An authorised representative of the Foundation and any other party taking part in the management of the Foundation.

**4** = The family members\* of the parties defined in points 1–3.

**5** = A company or foundation controlled jointly or separately by any of the parties referred to 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.

## 15. Outlook

The COVID-19 pandemic will continue in 2021 and is likely to affect FCA operations in many negative ways. The ongoing vaccinations will mitigate the restrictions imposed, but an environment like the one in the past is unlikely to be restored even after the pandemic. Indeed, the greatest post-pandemic changes will concern working life in particular. Distance work is likely to increase and work-related travel to meetings or otherwise will hardly return to the pre-pandemic level.

Global structural changes taking place in development cooperation will have a significant impact on the operations of Finn Church Aid in the coming years. The organisation must continue to develop new ways of working and find new financial instruments to fulfil its mission, vision, and operational objectives. For example, the strong prioritisation of private sector funding will not only continue but expand 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. The FCA will continue to deepen its alliance with international operators, such as the UN organisations, development banks, the ACT partner organisations, and other non-governmental actors.

The new global strategy of the FCA was confirmed in May of 2016 and its implementation was launched in 2017. The *FCA 2030* development and vision process launched in 2018 continued during the year under review. All FCA personnel were involved in the process. During the year under review, the development of the FCA management system was initiated as part of the *FCA 2030* process and at the end of the year, the Board approved the general principles of the model.

## **16. Material Programme Activity Events After the End of the Financial Year**

The financial year 2021 has continued under exceptional circumstances as the pandemic continues around the world. The ongoing vaccination programs in various countries bring some hope for improvement. The post-election situation in the programme countries has hindered our operations in the Central African Republic; likewise in Myanmar, where the situation following the military coup is rather chaotic. The FCA has launched the implementation of a new management system and will switch to the new model as of 1 April.

FINN CHURCH AID FOUNDATION

PROFIT AND LOSS ACCOUNT

	Group		Parent	
	1 Jan. – 31 Dec. 2020	1 Jan. – 31 Dec. 2019	1 Jan. – 31 Dec. 2020	1 Jan. – 31 Dec. 2019
<b>INCOME FROM OPERATIONS</b>				
<b>Aid activities</b>				
Income				
From the government	9 467 021,22	10 123 418,82	9 467 021,22	10 123 418,82
Parishes	3 884 142,82	3 852 918,97	3 884 142,82	3 852 918,97
From international funding sources	21 148 490,98	15 079 219,70	20 160 858,03	13 839 630,76
Other income	18 852,07	31 508,90	8 260,37	31 147,88
	<hr/>	<hr/>	<hr/>	<hr/>
	34 518 507,09	29 087 066,39	33 520 282,44	27 847 116,43
Expenses				
Direct aid	-22 487 578,27	-19 148 757,96	-23 671 235,86	-20 398 652,33
Personnel expenses	-12 168 327,74	-11 703 849,25	-10 551 954,99	-10 016 065,15
Other expenses	-7 838 241,48	-9 877 195,19	-7 103 681,82	-9 032 196,38
	<hr/>	<hr/>	<hr/>	<hr/>
	-42 494 147,49	-40 729 802,40	-41 326 872,67	-39 446 913,86
Deficit	-7 975 640,40	-11 642 736,00	-7 806 590,23	-11 599 797,43
<b>Support functions for aid activities</b>				
<b>Communications and stakeholder relations</b>				
Income	154 417,45	182 087,14	154 417,45	182 087,14
Expenses				
Personnel expenses	-1 076 273,37	-1 124 743,64	-1 076 273,37	-1 124 743,64
Other expenses	-328 158,53	-624 985,98	-328 158,53	-624 985,98
	<hr/>	<hr/>	<hr/>	<hr/>
	-1 404 431,90	-1 749 729,62	-1 404 431,90	-1 749 729,62
Deficit	-1 250 014,45	-1 567 642,48	-1 250 014,45	-1 567 642,48
<b>General administration</b>				
Income	62 334,65	48 526,77	139 667,14	148 526,77
Expenses				
Personnel expenses	-2 030 063,37	-2 176 000,60	-2 030 063,37	-2 176 000,60
Other expenses	-1 605 242,25	-1 840 184,42	-1 588 170,80	-1 836 911,20
Appropriation to sectors	2 697 780,83	2 534 280,38	2 697 780,83	2 534 280,38
	<hr/>	<hr/>	<hr/>	<hr/>
	-937 524,79	-1 481 904,64	-920 453,34	-1 478 631,42
Deficit	-875 190,14	-1 433 377,87	-780 786,20	-1 330 104,65
Deficit from operations	-10 100 844,99	-14 643 756,35	-9 837 390,88	-14 497 544,56
<b>FUNDRAISING</b>				
Income				
Donations from private parties	10 383 808,86	10 583 201,35	10 383 808,86	10 583 201,35
Donations from companies and organisations	445 415,98	899 064,67	445 415,98	899 064,67
Donations from parishes	1 624 840,64	2 536 833,94	1 624 840,64	2 536 833,94
Other income	298 622,56	366 400,71	298 622,56	366 400,71
	<hr/>	<hr/>	<hr/>	<hr/>
	12 752 688,04	14 385 500,67	12 752 688,04	14 385 500,67
Expenses	-2 035 571,12	-2 360 002,81	-2 035 571,12	-2 360 002,81
Surplus	<hr/>	<hr/>	<hr/>	<hr/>
	10 717 116,92	12 025 497,86	10 717 116,92	12 025 497,86
<b>INVESTMENTS AND FUNDING OPERATIONS</b>				
Share of profit in partly owned companies	-1 018,38	6 177,35	0,00	0,00
Income	397 391,11	235 324,29	81 301,83	175 024,91
Expenses	-884 664,97	-26 183,71	-72 522,53	13 316,29
Surplus	<hr/>	<hr/>	<hr/>	<hr/>
	-488 292,24	215 317,93	8 779,30	188 341,20
Deficit	127 979,69	-2 402 940,56	888 505,34	-2 283 705,50
<b>GENERAL SUBSIDIES</b>				
Operating subsidy from the Church Council	<hr/>	<hr/>	<hr/>	<hr/>
	937 000,00	937 000,00	937 000,00	937 000,00
Profit/loss before fund transfers	1 064 979,69	-1 465 940,56	1 825 505,34	-1 346 705,50
<b>FUND TRANSFERS</b>				
Donation Fund	-464 805,07	1 140 560,49	-464 805,07	1 140 560,49
Disaster Fund	-733 087,44	-150 247,69	-733 087,44	-150 247,69
Women's Bank Fund	297 664,59	40 850,66	297 664,59	40 850,66
Aid Fund	-55,39	-102,82	-55,39	-102,82
	<hr/>	<hr/>	<hr/>	<hr/>
	-900 283,31	1 031 060,64	-900 283,31	1 031 060,64
Taxes for the financial year	<hr/>	<hr/>	<hr/>	<hr/>
	-32 509,01	0,00	0,00	0,00
<b>SURPLUS/DEFICIT FOR CURRENT PERIOD</b>	<hr/>	<hr/>	<hr/>	<hr/>
	132 187,37	-434 879,92	925 222,03	-315 644,86

<b>BALANCE SHEET</b>	<b>Group 31 Dec. 2020</b>	<b>Group 31 Dec. 2019</b>	<b>Parent 31 Dec. 2020</b>	<b>Parent 31 Dec. 2019</b>
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Intangible assets				
Prepayments	212 034,01	202 870,60	212 034,01	202 870,60
Tangible assets				
Land and water areas	45 078,06	41 907,06	0,00	0,00
Buildings and structures	249 348,28	176 722,40	0,00	0,00
Machinery and equipment	101 776,12	76 013,62	47 878,48	74 515,78
Total tangible assets	396 202,46	294 643,08	47 878,48	74 515,78
Investments				
Subsidiary shares	0,00	0,00	92 265,71	92 265,71
Other shares and interests	14 718 337,39	15 676 566,87	75 500,00	936 776,14
Other receivables	4 121 172,48	4 790 997,13	4 121 172,48	4 790 997,13
Total investments	18 839 509,87	20 467 564,00	4 288 938,19	5 820 038,98
<b>CURRENT ASSETS</b>				
<b>INVENTORIES</b>				
Finished products	1 115,74	0,00	0,00	0,00
Other inventories	14 742,11	0,00	0,00	0,00
Total inventories	15 857,85	0,00	0,00	0,00
Receivables				
Non-current	0,00	0,00	478 000,00	300 000,00
Current				
Prepayments for projects	819 774,37	909 580,10	1 234 459,70	1 188 364,18
Receivables carried forward	3 430 383,58	1 617 191,18	3 429 042,02	1 612 288,75
Other receivables	633 162,04	560 102,54	679 108,76	557 114,41
Total current receivables	4 883 319,99	3 086 873,83	5 342 610,48	3 357 767,34
Financial securities	0,00	586 024,56	0,00	100 000,00
Cash in hand and at banks	17 073 853,75	9 057 584,44	15 156 131,49	7 727 223,57
<b>TOTAL ASSETS</b>	<b>41 420 777,94</b>	<b>33 695 560,50</b>	<b>25 525 592,65</b>	<b>17 582 416,27</b>
<b>EQUITY AND LIABILITIES</b>				
<b>SHAREHOLDERS' EQUITY</b>				
Subscribed capital	33 637,59	33 637,59	33 637,59	33 637,59
Other funds allocated to specific activities Donation Fund				
Disaster funds	1 269 458,11	804 653,04	1 269 458,11	804 653,04
Women's Bank	2 546 138,51	1 813 051,07	2 546 138,51	1 813 051,07
Aid Fund 1985	1 905 396,06	2 206 923,53	1 906 617,79	2 204 282,38
Aid Fund 1985	117 751,26	117 695,87	117 751,26	117 695,87
Surplus from previous periods	4 178 077,26	4 477 239,09	4 162 034,23	4 477 679,09
Surplus/Deficit for current period	132 187,37	-434 879,92	925 222,03	-315 644,86
Total shareholders' equity	10 182 646,16	9 018 320,27	10 960 859,52	9 135 354,18
<b>LIABILITIES</b>				
Non-current				
Loans	16 000 000,00	16 000 000,00	0,00	0,00
Current				
Advances received	10 318 361,10	4 893 025,21	9 989 557,46	4 883 814,11
Accounts payable	455 168,11	597 124,23	235 863,96	478 813,64
Other debts	1 708 371,45	1 481 671,81	1 716 366,26	1 521 190,27
Accrued liabilities	2 756 231,11	1 705 418,97	2 622 945,45	1 563 244,07
Total liabilities	31 238 131,78	24 677 240,23	14 564 733,13	8 447 062,09
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>41 420 777,94</b>	<b>33 695 560,50</b>	<b>25 525 592,65</b>	<b>17 582 416,27</b>

## 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 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.

### 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 an average exchange rate weighted monthly 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.

The branches' cash 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, Liberia, 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 of these foreign currencies have been consolidated in the Finn Church Aid Group income statements using the average exchange rate for the financial year 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.

The subsidiary companies FCA Investments Ltd and Egg Production (U) Limited in Uganda, as well as affiliated company Omnia Education Partnerships Ltd, are 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 under non-current assets in the balance sheet.

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

## NOTES TO THE FINANCIAL STATEMENTS

## 2. NOTES TO THE PROFIT AND LOSS ACCOUNT

	Group 2020	Group 2019	Parent 2020	Parent 2019
<b>TOTAL INCOME AND EXPENSES</b>				
<b>Income</b>	<b>48 821 319,96</b>	<b>44 881 682,61</b>	<b>47 585 356,90</b>	<b>43 675 255,92</b>
Operating expenses				
Relief work	-42 526 656,50	-40 729 802,40	-41 326 872,67	-39 446 913,86
Domestic support functions and administration	-5 262 192,78	-5 617 820,78	-4 432 978,89	-5 575 047,56
<b>Total expenses</b>	<b>-47 788 849,28</b>	<b>-46 347 623,18</b>	<b>-45 759 851,56</b>	<b>-45 021 961,42</b>
<b>Transfers to/from funds</b>	<b>-900 283,31</b>	<b>1 031 060,64</b>	<b>-900 283,31</b>	<b>1 031 060,64</b>
<b>Profit/Loss for the current period</b>	<b>132 187,37</b>	<b>-434 879,92</b>	<b>925 222,03</b>	<b>-315 644,86</b>
<b>OPERATING INCOME</b>				
<b>Revenue from the Ministry for Foreign Affairs for aid activities</b>				
Ministry for Foreign Affairs, programme support	6 192 258,65	5 400 000,00	6 192 258,65	5 400 000,00
Ministry for Foreign Affairs, humanitarian aid	2 493 212,50	3 841 113,15	2 493 212,50	3 841 113,15
Ministry for Foreign Affairs, other	781 550,07	1 024 209,58	781 550,07	1 024 209,58
<b>Total</b>	<b>9 467 021,22</b>	<b>10 265 322,73</b>	<b>9 467 021,22</b>	<b>10 265 322,73</b>
<b>Revenue from the EU for aid activities</b>				
EU development cooperation	2 497 976,75	2 252 862,22	2 497 976,75	2 252 862,22
EU humanitarian aid	3 001 731,21	1 714 851,84	3 001 731,21	1 714 851,84
<b>Total</b>	<b>5 499 707,96</b>	<b>3 967 714,06</b>	<b>5 499 707,96</b>	<b>3 967 714,06</b>
<b>Revenue from institutional funding sources</b>				
UNICEF	1 551 315,43	2 337 298,48	1 059 249,08	1 549 762,30
UN (other than UNICEF)	5 298 712,37	4 920 482,11	4 807 264,39	4 599 535,13
Education Cannot Wait	3 142 290,64	1 063 135,90	3 142 290,64	1 063 135,90
US government	3 038 924,59	721 975,50	3 038 924,59	624 924,86
Dutch government	1 245 939,89	549 050,15	1 245 939,89	549 050,15
Other State funding	778 929,05	513 725,28	774 810,43	513 725,28
Other institutional funding	457 003,70	676 773,81	457 003,70	642 718,68
ACT	122 399,35	184 889,32	122 399,35	184 889,32
<b>Total</b>	<b>15 635 515,02</b>	<b>10 967 330,55</b>	<b>14 647 882,07</b>	<b>9 727 741,61</b>
<b>Other public subsidies</b>	<b>13 268,00</b>	<b>2 271,18</b>	<b>13 268,00</b>	<b>2 271,18</b>
<b>Revenue from parishes for aid activities</b>				
Budget contributions	3 884 142,82	3 852 918,97	3 884 142,82	3 852 918,97
<b>Other income for aid activities</b>	<b>58 519,21</b>	<b>80 035,67</b>	<b>147 927,51</b>	<b>179 674,65</b>
<b>Income from aid activity support functions</b>				
Ministry of Education support to youth work	29 000,00	30 000,00	29 000,00	30 000,00
Church Council support to youth work	84 000,00	84 000,00	84 000,00	84 000,00
Public donations	15 000,00	20 000,00	15 000,00	20 000,00
Other income	49 084,96	48 087,14	26 417,45	48 087,14
<b>Total</b>	<b>177 084,96</b>	<b>182 087,14</b>	<b>154 417,45</b>	<b>182 087,14</b>
<b>TOTAL OPERATING INCOME</b>	<b>34 735 259,19</b>	<b>29 317 680,30</b>	<b>33 814 367,03</b>	<b>28 177 730,34</b>

## NOTES TO THE FINANCIAL STATEMENTS

	Group 2020	Group 2019	Parent 2020	Parent 2019
<b>FUNDRAISING INCOME</b>				
Donations from private parties	10 176 763,47	10 353 839,25	10 176 763,47	10 353 839,25
Product sales	312 770,04	352 071,30	312 770,04	352 071,30
Red Nose Day collection	176 748,30	213 101,53	176 748,30	213 101,53
Other indemnities	16 149,61	30 589,98	16 149,61	30 589,98
<b>Total</b>	<b>10 682 431,42</b>	<b>10 949 602,06</b>	<b>10 682 431,42</b>	<b>10 949 602,06</b>
Donations from companies and organisations	445 415,98	899 064,67	445 415,98	899 064,67
Donations from parishes	1 624 840,64	2 536 833,94	1 624 840,64	2 536 833,94
<b>TOTAL FUNDRAISING INCOME</b>	<b>12 752 688,04</b>	<b>14 385 500,67</b>	<b>12 752 688,04</b>	<b>14 385 500,67</b>
<b>MUUT TUOTOT</b>				
Church Council operating subsidy	937 000,00	937 000,00	937 000,00	937 000,00
Share of profit in partly owned companies	-1 018,38	6 177,35	0,00	0,00
Investment and funding activities	397 391,11	235 324,29	81 301,83	175 024,91
<b>Total</b>	<b>1 333 372,73</b>	<b>1 178 501,64</b>	<b>1 018 301,83</b>	<b>1 112 024,91</b>
<b>MOVEMENTS IN FUNDS</b>	<b>-900 283,31</b>	<b>1 031 060,64</b>	<b>-900 283,31</b>	<b>1 031 060,64</b>
<b>AVERAGE NO. OF PERSONNEL</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
International programme activities				
Helsinki	54	56	54	56
Sent	28	32	26	32
Locally recruited	2 200	1 964	2 094	1 886
Director's office	11	11	11	11
Fundraising and communications	34	36	34	36
Finance and IT	10	12	10	12
HR and Administration	11	10	11	10
<b>Total</b>	<b>2 348</b>	<b>2 121</b>	<b>2 240</b>	<b>2 043</b>
<b>PERSONNEL EXPENSES</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Salaries and fees paid from Finland	8 024 269,28	8 662 257,98	8 024 269,28	8 662 257,98
Pension costs paid from Finland	931 792,66	1 035 895,80	931 792,66	1 035 895,80
Other personnel add-on costs paid from Finland	215 374,96	172 220,10	215 374,96	172 220,10
Salaries and add-on costs paid from country offices	6 028 244,32	4 749 683,97	4 500 689,81	3 167 327,93
<b>Total</b>	<b>15 199 681,22</b>	<b>14 620 057,85</b>	<b>13 672 126,71</b>	<b>13 037 701,81</b>
Other personnel add-on costs include statutory salary-linked payments. Pension cover for the staff of the Foundation is managed by external insurance companies. The add-on costs linked to each country office's salaries vary depending on the local legislation.				
<b>Board meeting fees</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	12 765,00	12 145,00	12 765,00	12 145,00
The meeting fees for 2020 complied with the meeting fees of the Church Council for Foreign Affairs, ratified by the Church Council College of Officials as follows: €445 per month for the Chairman of the Board and €135 per meeting for ordinary members of the Board.				
<b>Auditors' fees</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Audit	71 288,23	25 046,76	65 147,90	22 510,96
Assignments	25 705,64	33 397,35	25 705,64	33 397,35
Tax counselling	2 009,82	0,00	0,00	0,00
Local auditing fees for country offices	194 869,33	123 072,95	142 222,04	93 041,05
<b>Acquisitions entered as expenses during the current period</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
IT software and licences	191 572,35	138 005,07	191 572,35	138 005,07
Machinery, IT hardware, and equipment	93 137,58	178 864,40	46 222,83	51 263,83

## NOTES TO THE FINANCIAL STATEMENTS

## 3. NOTES TO THE BALANCE SHEET

	Group 2020	Group 2019	Parent 2020	Parent 2019
<b>INTANGIBLE AND TANGIBLE ASSETS</b>				
<b>IT SOFTWARE</b>				
Acquisition expenses on 1 Jan.	202 870,60	0,00	202 870,60	0,00
Additions during the financial period 1 Jan. – 31 Dec.	9 163,41	202 870,60	9 163,41	202 870,60
Acquisition expenses on 31 Dec.	212 034,01	202 870,60	212 034,01	202 870,60
Accrued depreciation according to plan on 1 Jan.	0,00	0,00	0,00	0,00
Planned depreciation for the period on 31 Dec.	0,00	0,00	0,00	0,00
Book value on 31 Dec.	<b>212 034,01</b>	<b>202 870,60</b>	<b>212 034,01</b>	<b>202 870,60</b>
<b>LAND AND WATER AREAS</b>				
Acquisition expenses on 1 Jan.	41 907,06	0,00	0,00	0,00
Additions during the financial period 1 Jan. – 31 Dec.	3 171,00	41 907,06	0,00	0,00
Acquisition expenses on 31 Dec.	45 078,06	41 907,06	0,00	0,00
Accrued depreciation according to plan on 1 Jan.	0,00	0,00	0,00	0,00
Planned depreciation for the period on 31 Dec.	0,00	0,00	0,00	0,00
Book value on 31 Dec.	<b>45 078,06</b>	<b>41 907,06</b>	<b>0,00</b>	<b>0,00</b>
<b>BUILDINGS AND STRUCTURES</b>				
Acquisition expenses on 1 Jan.	176 722,40	0,00	0,00	0,00
Additions during the financial period 1 Jan. – 31 Dec.	82 960,92	176 722,40	0,00	0,00
Acquisition expenses on 31 Dec.	259 683,32	176 722,40	0,00	0,00
Accrued depreciation according to plan on 1 Jan.	0,00	0,00	0,00	0,00
Planned depreciation for the period on 31 Dec.	-10 335,04	0,00	0,00	0,00
Book value on 31 Dec.	<b>249 348,28</b>	<b>176 722,40</b>	<b>0,00</b>	<b>0,00</b>
<b>MACHINERY AND EQUIPMENT</b>				
Acquisition expenses on 1 Jan.	697 123,19	660 971,92	695 625,35	660 971,92
Additions during the financial period 1 Jan. – 31 Dec.	55 332,86	36 151,27	0,00	34 653,43
Acquisition expenses on 31 Dec.	750 958,21	697 123,19	695 625,35	695 625,35
Accrued depreciation according to plan on 1 Jan.	-621 109,57	-571 015,12	-621 109,57	-571 015,12
Planned depreciation for the period on 31 Dec.	-28 072,52	-50 094,45	-26 637,30	-50 094,45
Book value on 31 Dec.	<b>101 776,12</b>	<b>76 013,62</b>	<b>47 878,48</b>	<b>74 515,78</b>
<b>PLANNED DEPRECIATION</b>				
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Buildings and structures	10 335,04	0,00	0,00	0,00
Machinery and equipment	28 072,52	50 094,45	26 637,30	50 094,45
<b>Total</b>	<b>38 407,56</b>	<b>50 094,45</b>	<b>26 637,30</b>	<b>50 094,45</b>
<b>SHARES AND OTHER INTERESTS</b>				
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
FCA Investments, Helsinki, 100%	0,00	0,00	2 500,00	2 500,00
Egg Production (U) Ltd, 100%	0,00	0,00	89 765,71	89 765,71
Omnia Education Partnerships Oy, 20%	75 500,00	75 500,00	75 500,00	75 500,00
Other shares and interests	14 642 837,39	15 676 566,87	0,00	861 276,14
<b>Total</b>	<b>14 718 337,39</b>	<b>15 752 066,87</b>	<b>167 765,71</b>	<b>1 029 041,85</b>
<b>OTHER RECEIVABLES</b>				
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Market value	4 122 627,59	4 962 427,10	4 122 627,59	4 962 427,10
Book value	4 121 172,48	4 790 997,13	4 121 172,48	4 790 997,13
<b>Difference</b>	<b>1 455,11</b>	<b>171 429,97</b>	<b>1 455,11</b>	<b>171 429,97</b>
Other receivables are investments held within capital redemption policies that are capital-guaranteed on their due date.				
<b>PREPAYMENTS FOR PROJECTS</b>				
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Receivables from partners	819 774,37	909 580,10	1 234 459,70	1 188 364,18
<b>Total</b>	<b>819 774,37</b>	<b>909 580,10</b>	<b>1 234 459,70</b>	<b>1 188 364,18</b>
Partners implementing Finn Church Aid projects and independently accountable country offices notify Finn Church Aid of the share of subsidies paid to them, which was unused on the balance sheet date, and which is entered on the balance sheet under 'activated project funds. This data is mainly based on unaudited reports.				
<b>RECEIVABLES CARRIED FORWARD</b>				
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Receivables from KELA	32 000,00	32 200,00	32 000,00	32 200,00
Insurance premium receivables	17 605,03	46 796,50	17 605,03	46 796,50
Donation receivables carried forward	611 904,60	456 264,15	611 904,60	456 264,15
Subsidy prepayments	2 763 492,49	1 019 222,10	2 763 492,49	1 019 222,10
Other receivables carried forward	5 381,46	62 708,43	4 039,90	57 806,00
<b>Total</b>	<b>3 430 383,58</b>	<b>1 617 191,18</b>	<b>3 429 042,02</b>	<b>1 612 288,75</b>
<b>OTHER RECEIVABLES</b>	<b>633 162,04</b>	<b>560 102,54</b>	<b>679 108,76</b>	<b>557 114,41</b>



## NOTES TO THE FINANCIAL STATEMENTS

CHANGES IN SHAREHOLDERS' EQUITY	Group 2020	Group 2019	Parent 2020	Parent 2019
Subscribed capital	33 637,59	33 637,59	33 637,59	33 637,59
<b>Other funds allocated to specific activities</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Donation Fund, opening balance on 1 Jan.	804 653,04	1 945 213,53	804 653,04	1 945 213,53
Additions during the financial period	2 055 050,23	2 787 877,05	2 055 050,23	2 787 877,05
Subsidies during the financial period	-1 590 245,16	-3 928 437,54	-1 590 245,16	-3 928 437,54
<b>Donation Fund capital on 31 Dec.</b>	<b>1 269 458,11</b>	<b>804 653,04</b>	<b>1 269 458,11</b>	<b>804 653,04</b>
Disaster Fund, opening balance on 1 Jan.	1 813 051,07	1 662 803,38	1 813 051,07	1 662 803,38
Additions during the financial period	2 081 215,77	2 736 893,65	2 081 215,77	2 736 893,65
Subsidies during the financial period	-1 348 128,33	-2 586 645,96	-1 348 128,33	-2 586 645,96
<b>Disaster Fund capital on 31 Dec.</b>	<b>2 546 138,51</b>	<b>1 813 051,07</b>	<b>2 546 138,51</b>	<b>1 813 051,07</b>
Women's Bank Fund capital on 1 Dec.	2 204 282,38	2 245 133,04	2 204 282,38	2 245 133,04
Additions during the financial period	1 557 663,11	2 032 859,91	1 557 663,11	2 032 859,91
Subsidies during the financial period	-1 855 327,70	-2 073 710,57	-1 855 327,70	-2 073 710,57
<b>Women's Bank Fund capital on 31 Dec.</b>	<b>1 906 617,79</b>	<b>2 204 282,38</b>	<b>1 906 617,79</b>	<b>2 204 282,38</b>
Aid Fund, opening balance on 1 Jan.	117 695,87	117 593,04	117 695,87	117 593,04
Additions during the financial period	110,77	205,64	110,77	205,64
Subsidies during the financial period	-55,38	-102,82	-55,38	-102,82
<b>Aid Fund capital on 31 Dec.</b>	<b>117 751,26</b>	<b>117 695,86</b>	<b>117 751,26</b>	<b>117 695,87</b>

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 natural or man-made 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.

Of the Aid Fund's annual interest income, 50% is added to the capital while 50% is used for aid activities.

The donor wishes to remain anonymous. The initial capital for the fund was donated in 1985.

	2020	2019	2020	2019
Surplus from previous periods on 31 Dec.	4 162 034,23	4 477 679,09	4 162 034,23	4 477 679,09
Surplus/Deficit for current period	132 187,37	-434 879,92	925 222,03	-315 644,86
<b>LIABILITIES</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Non-current liabilities	16 000 000,00	16 000 000,00	0,00	0,00
Non-current loan of €16 million maturing in more than five years				
<b>PREPAYMENTS RECEIVED</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Ministry for Foreign Affairs, programme support	554 635,00	0,00	554 635,00	0,00
Ministry for Foreign Affairs, humanitarian aid	1 369 593,55	1 162 806,05	1 369 593,55	1 162 806,05
Ministry for Foreign Affairs, other	203 309,20	79 558,13	203 309,20	79 558,13
EU development cooperation	1 834 697,99	927 892,79	1 834 697,99	927 892,79
EU humanitarian aid	2 063 631,25	1 216 127,01	2 063 631,25	1 216 127,01
United Nations	3 144 537,38	189 889,67	2 815 733,74	180 678,57
Other State funding	816 567,51	920 415,49	816 567,51	920 415,49
Other institutional funding	33 686,03	117 650,38	33 686,03	117 650,38
ACT	169 512,75	30 314,74	169 512,75	30 314,74
Budget contributions from parishes	128 190,44	248 370,95	128 190,44	248 370,95
	<b>10 318 361,10</b>	<b>4 893 025,21</b>	<b>9 989 557,46</b>	<b>4 883 814,11</b>

Other prepayments received comprise subsidies allocated to specific projects.

## NOTES TO THE FINANCIAL STATEMENTS

	<b>Group</b>	<b>Group</b>	<b>Parent</b>	<b>Parent</b>
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
<b>ACCRUALS</b>				
Holiday pay liabilities	1 331 958,48	1 310 214,23	1 331 958,48	1 310 214,23
Statutory insurance premium liabilities	155 326,09	1 500,00	155 326,09	1 500,00
Debts to projects	1 093 174,94	215 983,77	1 093 174,94	215 983,77
Other accruals and deferred income	175 771,60	177 720,97	42 485,94	35 546,07
<b>Total</b>	<b>2 756 231,11</b>	<b>1 705 418,97</b>	<b>2 622 945,45</b>	<b>1 563 244,07</b>
<b>OFF-BALANCE-SHEET COMMITMENTS</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Finn Church Aid Foundation guarantee, Maximum for potential losses from €16 million loan to FCA Investments Ltd	3 000 000,00	3 000 000,00	3 000 000,00	3 000 000,00
<b>LEASING LIABILITIES</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Payable later	4200	0	4200	0
<b>RENT LIABILITY ON BUSINESS PREMISES</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Eteläranta 8, 00130 Helsinki				
Due in the next financial year	608 127,71	596 203,63	608 127,71	596 203,63
Due later	1 629 440,49	2 237 568,19	1 629 440,49	2 237 568,19

**LIST OF ACCOUNTING BOOKS AND DOCUMENT TYPES**

The nominal ledger accounting of the Foundation 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 invoices	MKAKSI		Electronic
Sales invoices	Sales invoices+ Sales refund	Sales invoices Sales refund invoices	Electronic Electronic
Salary receipts	Salaries 20		Electronic
Memorandum receipts	Memorandum 20		Electronic
WeFood transactions	WF		Electronic
Field transactions	FO KAKSIK		Electronic
Corrective receipts	Correction 20		Electronic
E-Invoices	TITOEL	Tito e-invoices	Electronic

**FINN CHURCH AID FOUNDATION**

**DATE AND SIGNATURES TO THE FINANCIAL STATEMENTS AND ANNUAL REPORT**

Helsinki, 13 April 2021

\_\_\_\_\_  
Tarja Kantola, Chair

\_\_\_\_\_  
Kaisamari Hintikka, Vice-Chair

\_\_\_\_\_  
Tuomas Aho

\_\_\_\_\_  
Sixten Ekstrand

\_\_\_\_\_  
Atte Harjanne

\_\_\_\_\_  
Anna-Kaisa Ikonen

\_\_\_\_\_  
Juhani Lavanko

\_\_\_\_\_  
Reetta Meriläinen

\_\_\_\_\_  
Ritva Ohmeroluoma

\_\_\_\_\_  
Aila Paloniemi

\_\_\_\_\_  
Ritva Reinikka

\_\_\_\_\_  
Mark Saba

\_\_\_\_\_  
Hanna Ylikangas

\_\_\_\_\_  
Jouni Hemberg, Executive Director

**FINANCIAL STATEMENT ENTRY**

A report has today been issued on the audit performed.

\_\_\_\_\_ 2021

KPMG Oy Ab, Authorised Public Accounting Firm

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Heidi Vierros, Authorised Public Accountant