

FINN CHURCH AID

**FINANCIAL STATEMENTS
AND ANNUAL REPORT**

For the period 1.1.2023–31.12.2023

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FINN CHURCH AID

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TABLE OF CONTENTS

	Page
Annual Report	1
Financial Statements	
Profit and Loss Account	28
Balance Sheet	29
Cash Flow Statement	30
Notes to the Financial Statements	31
Signatures of the Report to the Shareholders and the Financial Statements,	37
Auditors' Notation	
List of Accounting Books	38

1. Quality Education, Livelihoods and Peace for People Living in Fragile Countries

Founded in 1947, Finn Church Aid (FCA) fulfils a mandate from the Evangelical Lutheran Church of Finland to engage in numerous activities: development cooperation, humanitarian aid and advocacy work as well as investments in small and medium-sized enterprises in developing countries. In these areas, we can carry out the international social work of the church.

At the heart of our work is a human rights-based approach whereby we can bring about lasting change. In line with this vision, we promote opportunities for people living in fragile states and affected by conflicts or natural disasters to contribute to positive and sustainable change. This will lay the foundations for resilient and just societies. Our work promotes the realisation of human rights as well as the elimination of discriminatory practices and factors that cause injustice.

Our programme activities are also influenced and guided by several other things: risk management systems, conflict and gender sensitivity, climate change and environmental consciousness. In our work, we are committed to respecting international humanitarian principles. According to these, everyone has the right to assistance and protection.

In 2023, we carried out the second year of our new global programme which continues our long-term work in fragile environments: development cooperation, humanitarian aid, advocacy and investments. Our rights-based approach utilises sustainable development goals (SDGs) as its guiding framework. Our three themes are all related to the rights of the individual. Everyone has the right to live in peace, gain quality education and earn a sustainable livelihood. In addition to this, we consider several other things in everything we do: gender equality, equal opportunities for participation, conflict sensitivity as well as climate and environmental issues.

2. Changes in our Operating Environment; Operational Development and Growth

Our activities in 2023 were strongly marked by global geopolitical changes and Russia's continued war of aggression against Ukraine. In the early part of the year, the Finnish parliamentary elections and the ensuing discussion on budgetary cuts to humanitarian work and development cooperation prompted organisations to make efforts to secure funding. Finn Church Aid and the Finnish Evangelical Lutheran Mission engaged in close cooperation in this respect: for instance, the joint appeal of Finnish bishops just before the government negotiations gained widespread attention. In the end, we managed to avoid rapid cuts and

changes in funding. In the last part of the year, our advocacy work was marked by the conflict in Gaza. We met with decision-makers and worked together with international organisations, calling for a ceasefire and humanitarian aid to Gaza.

We saw increasing political pressure to channel development cooperation funding to business cooperation activities. Likewise, there was pressure to cover the costs caused by refugees and asylum seekers who have arrived in Europe. We took this into account in our advocacy work. We also devote effort to acquiring new funding partners to ensure the continuity of aid and the sustainability of our operations. Domestic fundraising was highly successful; international fundraising continued its record-breaking growth.

The goals of the work done by states, the UN and other development actors are based on the principles of sustainable development. These guide our operations as well. Part of sustainability is the role of private actors in the development sector. This has grown both at home and abroad as well as in our operations. Accordingly, business cooperation development is one of the key themes of the strategic guidance we have given to the country offices. After decades of work with women's micro-entrepreneurship, we have expanded it to include loans and technical support for small and medium-sized enterprises (SMEs). Over the course of the year under review, FCA Investments Ltd continued to make successful loan-based investments and develop new operational and financial instruments. The company has now invested EUR 16 million of its principal, and we have been negotiating an additional loan with the Ministry for Foreign Affairs.

Vocational education has proved fruitful; entrepreneurial training in particular. 'From learning to earning' is the motto of our work with women and youth in many of our country-specific programmes. We are continuing Creative Industries entrepreneurial training, and digital materials and methods are now an established part of our activities in the education sector.

We are also a minority shareholder of Omnia Education Partnerships Ltd (OEP), founded in 2016. Despite challenging operating environments, the company's activities are seeing both growth and profitability.

At the beginning of 2023, Finn Church Aid had country-specific programmes in 14 countries (see table below).

Europe	Africa	Asia	Middle East
Ukraine	South Sudan, Kenya, Central African Republic, Uganda, Somalia, Ethiopia	Cambodia, Myanmar, Nepal, Thailand	Israel and the Palestinian Territories (IOPT), Jordan, Syria

At the beginning of the year, we opened an advocacy office in Addis Ababa, Ethiopia to reach the African Union. At the end of the year, the FCA Board of Directors decided a country office could be opened in Ethiopia once sufficient financial and human resources become available.

After long reflection, we decided to close our country office in Cambodia. This was also because the programme support had already been reduced by the Ministry for Foreign Affairs. Consequently, we are going to shut operations down for good in early 2024. The work in Cambodia has been very successful on several counts, and it has been based on the strong inclusion of civil society.

FCA continues to serve as the secretariat of the Network for Religious and Traditional Peacemakers. During the year under review, the network had projects in several countries that are without FCA presence: for instance, in northeast Asia. In Finland, the network has engaged in cooperation with the state administration and non-governmental organisations.

Prospects for the Future

Finn Church Aid seems to have established its position in international fundraising, and this positive development is expected to continue. Our challenge is to secure and increase non-earmarked funding.

Similarly, the weakened global security situation and the protracted war of aggression in Europe may hurt our scope of activities and the development of our resources across the world. We began developing a risk assessment process and will continue with this in 2024.

The global structural changes in development cooperation will significantly impact our operations in the coming years. Our organisation must continue developing new ways of working and find new financial instruments to carry out our mission, fulfil our vision and reach our business goals. For example, the strong prioritisation of private sector funding will not merely continue, but grow as well. Our activities must continue demonstrating our added value and experience operating in developing countries, especially under fragile conditions. Our close cooperation with international actors continues. These include organisations like the UN, development banks, ACT partner organisations and other non-governmental actors.

2.1 Our Themes

This thematic section of the report discusses the operating models and activities of our programmes and projects through a few examples. It also highlights some of the new initiatives launched over the course of the year. A numerical and qualitative overview is provided in the annual report of the global programme.

2.1.1 Right to Quality Education

There were 250 million children out of school worldwide in 2023 amid rising crises. Schools were missing an estimated 44 million teachers. One of our key objectives is for as many children and youth as possible to get to school and receive quality instruction. Our work covers early childhood, basic and vocational education as well as education sector development.

It prioritises the education of refugee children and youth or those otherwise in a fragile position. We devote effort to gender equality and the inclusion of disabled people in particular. We are building educational facilities with this in mind. Amid disasters and social and economic issues leading to child marriage and child labour, schools offer children a safe place to grow and learn. We also seek to utilise digital solutions and tools to support both learning and instruction. For example, distance learning has been the only way for most children and youth to continue their studies amid the war in Ukraine.

We ensure quality education by strengthening teaching skills with the help of local professionals and Teachers Without Borders volunteers. The psychosocial support skills of teachers become essential in emergencies.

Education is important because it improves young people's chances of achieving a sustainable livelihood and contributes to the stability of communities. Study and careers guidance supports children and youth in the continuation of their schooling. It also helps youth to find their career paths.

Vocational education opens doors to traineeships and ultimately employment. While quality learning materials and educated teachers support young people to grow into responsible and caring adults, peace education strengthens stability.

Some examples of the educational work we did in 2023 are given below.

Ukraine: We supported the access of children and youth to education in several ways: by repairing damaged schools and bomb shelters, enabling digital learning through appropriate equipment and strengthening the well-being of both the students and teachers. Through our support, our Ukrainian partner organised summer clubs for primary school-age children. This was part of the psychosocial support it offers.

Global Education in Emergencies: We seconded a full-time professional to the Global Education Cluster through UNICEF's Rapid Response Team (RRT). In 2023, this employee supported several of the humanitarian clusters for education, which had been launched.

Some examples of these included Turkey following the earthquake, the Democratic Republic of the Congo and via distance work, Israel and the Palestinian Territories.

Inclusive instruction: Disabled pupils in Uganda, Kenya and Syria were provided with learning aids which allowed them to participate in classwork together with the other pupils. This topic was one of the key themes of teacher training. In addition to this, we supported numerous other things: the development of psychosocial support models, their integration into the education programmes, and the incorporation of child protection into all education sector activities.

Education reform in Uganda: We supported a commission set up by the Ugandan Ministry of Education to prepare an education sector reform. In 2022, this commission asked Finn Church Aid and UNICEF to support its work and make their recommendations on the development needs of the education sector in Uganda. In the summer of 2023, Teachers Without Borders (TWB) recruited a Finnish professor emerita to provide the commission with technical support. This cooperation continued for the remainder of the year, and it was extended to early 2024 at the request of the commission.

Early childhood education: Our country office in Uganda developed and piloted the UNICEF early childhood education play and learning material kit for emergencies, making it suitable for Uganda. The results will affect the worldwide development of the UNICEF material kit.

Teachers Without Borders: A total of 43 Finnish teaching and education professionals (22 on-site and 21 remotely) worked as volunteers in FCA education projects. They supported programme development and enhanced the professional competence and peace education work of the teaching staff.

In addition to this, we supported vocational and entrepreneurial education development as well as efforts devoted to new fields of study. We also supported the promotion of study and careers guidance and the strengthening of vocational teacher competence.

Rules of procedure and training for teachers: In South Sudan, we supported the process of first planning the rules of procedure for national apprenticeship training and then producing its contents. We facilitated workshops where we engaged in multidisciplinary cooperation for the compilation of curricula for the education programmes of study and careers advisers and vocational teachers. The local study and careers advisers we had trained earlier in Somalia and the Republic of Somaliland held regular courses for teachers employed by the schools we support.

Creative Industries: We continued and expanded the creative industries education programme we had started earlier in Kenya. The practices learned from the pilot phase of this free programme for low-income students can be applied to our other country-specific programmes.

Vocational education: Together with UNHCR, the International Labour Organisation (ILO) and the German Corporation for International Cooperation (GIZ), we conducted an evaluation study to develop vocational education in Uganda. The results showed that study and careers guidance and entrepreneurial studies have contributed to the integration of students into working life. Of the graduates, 71 % have found jobs or started independent businesses. In addition to this, the study considered that organising local education and supporting childcare improves the participation of women.

Myanmar: Due to the political situation in Myanmar, we had to reduce the scope of the study and careers guidance development projects and limit the number of their activities. While we have suspended our work on developing the public-school sector, we continue working together with existing pilot schools and monastic schools. Temporarily, we are focusing on the preparation and development of study and careers guidance materials in Myanmar.

Cambodia: As a result of the nationwide preparatory education we organised, Cambodia now has a total of 28 master instructors in study and careers guidance. In cooperation with the country's Ministry of Education, we prepared an education programme of 60 credits to provide qualified study and careers advisers. The master trainers will play a significant role in integrating study and careers guidance into the teacher training establishments. During 2023, the Cambodia country office prepared for the orderly closure of all its projects.

Teacher training: We began an extensive updating of teacher training materials in the autumn of 2022. This was based on a need raised by our country offices for the continuing education of teachers. In late 2023, we published a teacher training manual on inclusive instruction. In addition to this, the education specialist who volunteered through Teachers Without Borders continued developing the manual on pedagogical skills for distance learning and digital methods. The manual had already been piloted in Palestine. As the updating process continues, it focuses on the following things: the well-being of teachers and students, their psychosocial support, socio-emotional learning, learning through play, and active teaching methods.

2.1.2 Right to Livelihood

All human beings have the right to livelihood. Thereby, they can provide for themselves and their families, increase their well-being and participate in the development of their communities as equal citizens. We promote sustainable economic development which offers people in vulnerable positions improved livelihood opportunities.

Our programmes supporting entrepreneurship and vocational education link learning with livelihood opportunities. We educate and mentor women, youth and refugees so that they can earn an income either as entrepreneurs or through paid employment. For example, more than 70 % of the graduates from our vocational education programme in Uganda find employment. Creative industries like coding, online services or the music and gaming industries have emerged alongside traditional sectors like agriculture, trade and construction.

Most jobs in developing countries are offered by small or medium-sized enterprises. This is why we engage in cooperation with the private sector and promote entrepreneurship in all of our programme countries.

FCA Investments Ltd, an investment company founded by FCA, offers capital and provides management services to SMEs employing women or youth. These SMEs must also be economically, socially and environmentally responsible. Responsible companies reduce poverty in two ways: by creating jobs and livelihood opportunities by and strengthening the crisis resilience and productivity of communities. Even before funding is granted, we offer support for business development and good governance; this also reduces financing costs and investment risks.

Cooperative societies and credit unions founded in communities are at the core of our livelihood work as well; for example, these organisations can lend people money for business activities. The cooperative societies and credit unions supported by Women's Bank generate huge capital annually. This demonstrates that devoting efforts to women's agency is worth the investment.

In 2023, our livelihood work reflected the weakening of national economies, inflation, the global impacts of the war in Ukraine and the advance of climate change.

Some examples of the livelihood work we did in 2023 are given below.

Natural disasters: In Myanmar, powerful Cyclone Mocha hit Rakhine State in May. In East Africa, torrential, flooding rain replaced a multi-year period of drought at the end of the year. We distributed cash aid to 1,200 families in the Somali drought region and Myanmar. They could then use the money to buy food, water and other necessities. In Hama and Aleppo, Syria, we supported families with emergency aid after the February earthquake.

Local disasters: In the Kailali district of Nepal, a massive fire destroyed homes, grain stores and animal shelters. Our cash aid helped 55 families repair their buildings and restart production, including the purchase of farm animals and a grain mill.

Conflicts: We supported reconstruction in the protracted conflict in South Sudan by providing a food supply and some livelihood opportunities. We focused on agriculture which is the cornerstone of family livelihoods and general food security.

In Kenya, students in the creative industries education programme participated in 10-week entrepreneurial workshops. While there, they had the opportunity to set up or develop business activities of their own. In addition to this, the students benefited from various services like work and life skills training camps, career clinic activities and networking opportunities. They also had coaching sessions organised by experts in the industry.

In Cambodia, students from a local vocational partner institution participated in study and careers guidance workshops in addition to entrepreneurial training.

In Nepal, start-up grants and tool kits were issued to youth studying for new vocations in genuine working environments, meaning local companies.

In Uganda, the vocational education programmes included a practical training period of two months aiming to improve post-education employment. The students were also offered study and careers guidance. According to preliminary estimates, 3,500 students in six countries benefited from employment-enhancing services.

Creative Industries Programme Established

The creative industries programme was piloted in Uganda and Kenya in 2020–2021 and then expanded to Somalia in 2023. Now it is an established part of our work. After 2023, the programme covers the following industries: photography and video production (Uganda), graphic design, website design, digital marketing and animation (Kenya), and coding and software development (Somalia).

In 2023, 132 young people graduated from the programme; 62% of the 72 graduates in Kenya said they had found employment during the project. Our creative industries programme mainly focuses on the following things: improving the relevance and quality of education, coaching and employment services and ensuring an increasingly certain transition to paid employment. There are two key factors in this. One is the strong programme commitment of enterprises already operating in the sector. The other is the networking this enables in addition to the working life skills and career guidance offered by the education itself. We seek to resolve barriers and challenges to employment. These are usually related to the level and availability of technology, the lack of basic education or things like language skills. They may also be related to labour law issues, such as the terms of employment for distance or freelance work and the pay for such.

Growth in Business Activities and Business Cooperation

In addition to contacts with working life, we seek to create new jobs through both business activities and business cooperation. In recent years, our livelihood work has focused on working life, business development and the markets. This has led to devoting more and more efforts to fruitful relations with the business sector and new forms of partnerships.

Through a joint project, a private circular economy company in Kenya created nearly 400 jobs in 2022–2023. Most of these were for women. In 2023, we developed the expertise and working conditions of more than 1,000 workers employed in collecting, sorting and processing recyclable plastic. The green economy will continue as one of our key industries.

Business Creation and the Significance of Agriculture as a Source of Employment

We are continuing the work aiming to create businesses. One of the actors supporting us in this is a business development network of Women's Bank. The bank itself operates in connection with FCA. Through the support of this network, a business pilot was launched in Uganda in 2023 to test the commercial production of insect protein. Insect protein is produced for feed, so the pilot is utilising the feed requirements of the growing poultry production in the area. It is putting to good use the lessons learned from a similar trial conducted earlier in Nepal. If the business turns out to be profitable, our goal is to secure its growth financing after the test phase. The business runs in connection with a cooperative society. Skills Donation, a volunteer programme run by Women's Bank for business developers, restarted at the end of 2023 after being suspended by the coronavirus pandemic.

Most of our countries of operation are fragile states. So, our work especially focuses on strengthening the crisis resilience of business activities. The eradication of the multifaceted phenomenon of poverty requires preparedness and response to immediate needs. To be sustainable, the process also needs some structural changes. It can then expand from the individual and community level to examine and develop other things: the functioning of production value chains and markets, the private and public services relating to these and so on. The projects are increasingly comprised of entrepreneurs and producers getting organised and networking with the private and public sectors. More and more, these projects also involve various levels of advocacy work specific to the operating environment.

Producer groups, cooperative societies and cooperative banks are at the heart of the process of promoting rural industries. These are permanent structures that bring together hundreds – even thousands – of producers, approximately 80% of them women. These organisations ensure their members have access to both the markets and the development and financial services needed for production activities. It is precisely this sector that has

the highest number of people benefiting from our livelihood work: according to preliminary estimates, more than 20,000 people in 2023.

The 17 cooperative societies we supported in Cambodia provided services for nearly 7,000 small-scale farmers and rural entrepreneurs in 2023. Although we are closing the country-specific programme in Cambodia at the beginning of 2024, these cooperative societies will continue their business and service activities after the end of the project support.

In Uganda, we support a cooperative society for female corn farmers in developing agriculture and other sources of income. Due to increased crop and market risks, the climate resilience of farming and the existence of parallel livelihoods are essential in terms of family economic security. At the end of 2023, the corn-growing cooperative society had 700 members. The credit unions operating alongside it reached a total of 1,200 women. A follow-up project in 2024–2026 will almost triple the number of beneficiaries. A similar project was adapted to urban conditions in the slums of Kampala, Uganda. It supported the unionisation of entrepreneurs and developed the livelihoods of approximately 2,800 women in 2023. According to project evaluation, 77% of these reported significant increases in their income levels, despite the economic downturn.

Organising farmers and entrepreneurs to pool their resources and promote common interests has proven to be an effective way of strengthening the sustainability and resilience of business activities in the recurring economic crises of recent years.

2.1.3 Right to Peace

Peace is the precondition for the achievement of human rights and sustainable development. When communities are allowed to live in peace children can focus on schooling while adults can focus on obtaining a livelihood and building a stable society.

Our peace work focuses mainly on the most fragile countries of the world. Examples of these include South Sudan, the Central African Republic and Somalia as well as countries with protracted conflicts. In addition to war and conflict, stability is challenged by several other things: shrinking space for civil society, hate speech and climate change. The last-mentioned of these increases the competition for scarce natural resources and accelerates the forced migration of the population.

Even though the need for peace work is growing all the time, interest in conflict prevention and resolution and the resources to do so have diminished. The space for peace work is shrinking as the focus of global attention shifts. Peace work can be supported in its adaptation to new

conditions: for instance, through digital solutions like social media and radio. We can support the active role of civil society and strengthen the link between peace, education and livelihood.

Peace is not merely the end of conflict. In lasting peace, the whole community commits itself to changing the structures to support the peaceful coexistence of the various groups. Civil-society actors play a crucial role in building an inclusive and just peace, but they need long-term support for this.

Achieving and maintaining peace entails inclusiveness. Conflicts affect women, youth and religious and traditional actors. This is why they must also be able to exercise influence over the solutions. These groups are often ignored in peace processes, however. So, we wish to ensure they get their voices heard.

In 2023, we continued our work for the promotion of inclusive peace at the national and local levels through country-specific programmes in Africa and Asia. We strengthened the link between peace work and other thematic priorities and forms of activity: for example, by expanding peace education as a development area situated between education and peace work.

Some examples of the peace work we did in 2023 are given below.

Somalia: Developing our peace work and linking it with our advocacy work, we continued to promote the framework of inclusive local governance and national reconciliation in Somalia in 2023. A key part of this was securing and supporting the inclusion of women and youth. We supported the establishment of two new local governments in the cities of Burhakaba and Jowhar. In Burhakaba, nine (9) women were elected to the new city government. Its female representation of 43% exceeded the national 30% quota for the participation of women.

Kenya: We have established our position in community-level peace work together with local actors, the provincial administration and the national government. Inclusive peace work in the Kerio Valley region has led to a provincial government structure that seeks to warn of conflict situations; it allows them to respond based on warning messages from the communities. Internal and external community peace forums produce conflict analyses and seek to respond to situations for the prevention and escalation of violence. The grassroots groups of women we support advocate in these peace dialogues and produce recommendations to the authorities. In 2023, this led to the opening of a new police station among other developments. The station seeks to prevent interprovincial conflicts and respond to such with increasing effectiveness.

Peace Education Promoting the Status and Rights of Youth

In Uganda, we support the social inclusion of young people in vulnerable positions and the realisation of their rights. This work prevents conflicts and violent extremism. We offered young people the benefit of vocational education. In addition to this, we offered them opportunities to participate in dialogue with various stakeholders on how to increase young people's meaningful inclusion in civic activities. There were youth peace clubs where the young people could learn dialogue skills. The material used by these clubs consisted of a peace education teaching manual made by Teachers Without Borders and a local partner organisation. This is a joint project we are carrying out together with the Uganda Muslim Youth Development Forum.

We continued peace education in Kenya and South Sudan as well. We trained club instructors in the use of the teaching material and activity-based, inclusive teaching methods. In Cambodia, we supported young people's opportunities to participate in social decision-making through a project called Youth for the Future. Through the support of distance-working specialists, we adapted our peace education manual to the Cambodian context. Our local partner and the young people who participated in the youth project received training, learning about peace education themes and methods. Joint development and training supported the capacity and ability of the youth groups to continue their activities regardless of our support.

In the Central African Republic, young people played an important role in the peace mediation work. The young people in the peace clubs we supported discussed numerous things during the training: conflict prevention, peace education and rumour elimination. They also developed opportunities for livelihoods. In addition to this, we trained our Mediator's Network partner. Our peace work in the Central African Republic supported the inclusion of women and youth in local decision-making as well.

In South Sudan, we support the role of religious and traditional leaders in peace work at both the local and national levels. We especially focus on the agency of women and youth in religious and traditional structures. We organised training and supported the activities of existing peace committees. The advocacy of these committees strengthens the role of women and youth in peace work. Together with Green String, we developed a psychosocial support manual for peace actors.

2.1.4 Humanitarian Aid

In 2023, we continued our humanitarian work in the protracted crises of South Sudan, Uganda, Somalia, Myanmar, Jordan, Syria and the Central African Republic. Drought and flood disasters caused by climate change impacted East Africa in particular and accelerated food shortages. In Ukraine, we continued our quality education activities in

particular. This programme included things like getting safe learning facilities, raising the teachers' professional competence acquiring educational equipment. Having participated extensively in various coordination mechanisms both in Finland and Ukraine, we are committed to supporting Ukraine in the long term.

At the end of the year, human distress increased in the occupied Palestinian Territories with the outbreak of war between Israel and Hamas. We sent an aid worker to investigate the framework conditions and possibilities for assistance in Egypt, Israel and the occupied Palestinian Territories. In the final weeks of the year, we decided to strengthen the humanitarian dimension of our activities in the West Bank and East Jerusalem.

Our humanitarian work in emergencies focuses mainly on the education sector. We seconded a specialist to the Global Education Cluster (GEC), which coordinates the UN humanitarian aid to the education sector in disasters around the world.

In February, Turkey and Syria were hit by a devastating earthquake; FCA responded with emergency aid and cash aid. In May, Myanmar was ravaged by severe Cyclone Mocha which caused widespread damage. Through cash aid, people were able to get food, water and other supplies.

We have increasingly considered environmental sustainability in recent years as well. Our humanitarian aid programmes are devoting more and more efforts to the improvement of livelihoods during emergencies, and we are gradually replacing material aid with cash. This will strengthen the agency of the people impacted by disasters and have a positive effect on the environment. In this way, we can build increasingly sustainable communities and reduce the environmental impact of our work.

We have further strengthened our relations with international humanitarian aid networks, partners and donors. This will allow us to make better use of our expertise and resources and deliver aid more efficiently.

At the end of 2023, we completed our new humanitarian aid strategy. Now we are developing the structure and operating models of our humanitarian aid accordingly.

2.1.5 Advocacy Work

Over the course of the year, our advocacy work prioritised numerous things: quality education, peace work and livelihoods, women's rights as well as issues relating to development cooperation and humanitarian aid policies and funding.

In Finland, the parliamentary elections, government negotiations and the coming into power of a new government were in the limelight of our advocacy work. At the end of the year, the war in Gaza became a high-profile international crisis alongside the situation in Ukraine. In the area of international advocacy work, we focused our greatest efforts on the Fifth United Nations Conference on the Least Developed Countries (LDC5) and the Global Refugee Forum. We had already opened our African Union advocacy office in Addis Ababa, Ethiopia at the beginning of the year.

Based on our election programme, we advocated for development policy contents and development aid in the run-up to the Finnish parliamentary elections. We continued this in conjunction with the government negotiations. We engaged in extensive, direct dialogue with decision-makers, participated in events held by the various parties, gave several opinions and participated in a Parliament hearing. In addition to this, we appeared in the media, organised roundtables, published articles, campaigned on social media and engaged in cooperation with other organisations and parishes. Based on this, we have good channels of communication with all four parties in government; in fact, they invited us to participate in a hearing of experts during the government negotiations.

Despite all this advocacy work, it was decided to significantly cut development aid during this government term. However, the implementation of these cuts is more planned than the previous major cuts in 2015. Furthermore, the new government programme emphasises the role of organisations in Finland's development cooperation; it also retains education as one of the priorities of development cooperation. These were some positive advocacy results. Since the formation of the government, we have continued engaging in fruitful dialogue with the new Parliament and the new ministers.

Our African Union (AU) advocacy office in Addis Ababa opened in 2023. During the first half of the year, much of the work involved the practical aspects of setting up the office. At the same time, we were building a valuable network of contacts and partnerships in Addis Ababa. We engaged in cooperation with the UNESCO and AU offices in Ethiopia, among others. Representatives from the mentioned offices also visited Helsinki in September. Towards the end of the year, we officially opened our Addis Ababa office by holding a seminar. Our African Union officials, members of the Network of Religious and Traditional Peacemakers and numerous other partners participated in the seminar.

In terms of education advocacy, helping to prepare the Global Refugee Forum and participating in the forum itself was our key effort. We continued our cooperation with UNHCR, ILO and GIZ on the theme of vocational education for refugees. We strongly supported the thematic commitments made in the forum. We also published a report discussing the topic and organized a high-level meeting on it in conjunction with the forum. We continued to raise two

issues: the significance of Education in Emergencies (EIE) and the need to strengthen the emphasis on the role of education in the humanitarian aid provided by Finland. In particular, we continued to raise the issue of participating in the funding of Education Cannot Wait and achieved that goal. Through a high level of devoted Finnish expertise, we continued our support in Uganda for the commission preparing their education reform.

In the area of livelihoods advocacy, we brought up the need to strengthen two aspects of development cooperation: the business opportunities of small and medium-sized enterprises and the potential and challenges of the financial instruments. On several occasions, we continued to raise the issue of the need to extend the instruments intended for private-sector support to fragile states and the SME sector. Our biggest single effort was a high-level side event we organised at the LDC5 conference which was finally held in the early part of the year. In addition to this, we attended the UNCTAD development aid sessions held in Geneva and in conjunction with the UN General Assembly.

In the area of peace work in Finland, we advocated for 'Youth, Women and Peace' (UN Security Council resolutions 1325) and 'Youth, Peace and Security' (UN Security Resolution 2250).

We participated in Finland's delegation to the UN General Assembly an internal hearing about it following the high-level occasion. Together with the UN Association of Finland and the Finnish Development NGOs (Fingo), we also arranged a briefing about this for the benefit of other organisations.

We advocated strongly for human rights throughout the year. Finland's membership in the Human Rights Council provided an important channel for this. We participated in all the hearings organised by the Ministry for Foreign Affairs and briefed the Ministry on the operating environments of our programme countries. We also participated in the work of the Advisory Board for International Human Rights (IONK). We helped organise a side event at the Commission on the Status of Women (CSW). We participated in the Thursdays in Black and 16 Days of Activism campaigns against gender-based violence.

Over the course of the year, we strengthened our partner advocacy and the building of contacts with key international players: for instance, Mastercard Foundation and LEGO Foundation, one of the world's largest education donors. We also strengthened our connection with the UNHCR office in Copenhagen. Global Partnership for Education visited Finland, and we strengthened our cooperation with them.

We also strengthened advocacy cooperation through internal training for the benefit of our country offices in Kenya, Uganda and Myanmar. We enhanced our planning and reporting process and began updating the advocacy strategy.

2.2 Personnel

At the end of 2023, Finn Church Aid employed nearly 3,600 people in 12 different countries of operation and several other countries in Europe and North America. Because the salaries are often project-specific, the number of personnel may vary quite quickly. Our programme work focuses on the most fragile countries and fragile areas within such.

Because funding is often provided for the short term, our field office personnel challenges are related to finding competent staff and engaging them. We continued improving our quality assurance work. We hired a second internal auditor. Then we drew up a plan to improve the management of local partnerships and decided to hire a fixed-term worker for this role.

At the end of the year, we decided to start a process to evaluate the latest organisational change as agreed. 'Operational excellence' was the organisation-wide theme selected for 2024. Among other things, we aim to map and eliminate overlap and reduce the workload by simplifying processes.

The total number of man-years accumulated at FCA in 2022 was 2,937 (1,548) and 2,580 (1,464). The personnel either working in Helsinki or sent from Finland accumulated a total of 199 (162) and 194 (155) man-years while the local programme office personnel accumulated a further 2,739 (1,386) and 2,381 (1,309) man-years.

Temporary F2F and telephone fundraising personnel completed a total of 14 (7) man-years in temporary employment relationships.

Our workers with open-ended contracts accumulated 154 (154) and 148 (143) man-years while those with fixed-term contracts accumulated 2753 (1394) and 2402 (1321) man-years.

According to our workplace well-being survey, distance and hybrid work have increased well-being at work as a rule. On the other hand, fostering and maintaining a sense of community poses a challenge. Based on the survey we conducted at the end of the year, we are now developing hybrid work and a policy for it.

Through a few examples, the following section discusses our projects and programmes as well as some new initiatives that were launched during the year. A numerical and qualitative overview is provided in the annual report of the global programme.

3. Foundation Group Structure and Finances

The following offices and companies are consolidated into Finn Church Aid Foundation Group: the offices in Jordan, Kenya and the United States, Omnia Education Partnerships Ltd (share: 20%), FCA Investments Group (share: 100%) and Egg Production (U) Ltd in Uganda (share: 100%). FCA Investments Group is comprised of the following companies: FCA Investments Ltd, Group subsidiary Missing Middle Opportunity Facility Ltd and its Uganda-based branch Missing Middle Opportunity Uganda.

The following offices are consolidated into the accounts of the Parent Company, Finn Church Aid, and treated as branches: Cambodia, the Central African Republic, South Sudan, Somalia, Nepal, Myanmar, Ukraine, Syria and Uganda. In 2023, FCA also had an office in Ethiopia.

3.1 Finances

The figures in the report compiled by the Board of Directors are expressed as follows: Group 2023 (Group 2022), Parent Company 2023 (Parent Company 2022). Where the figures are the same for the Group and the Parent Company, only one figure is shown.

Despite the challenging and rapidly changing operating environment, Finn Church Aid Group enjoyed a balanced economy in 2023. The fact that the investing activities of the FCA Investments Group yielded a loss of EUR 0.5 million to the Foundation Group is of relevance.

The Group financial result was slightly negative at EUR -0.2 million (EUR -0.2 million).

Profit and Loss Account (M€)	2023 Status	2022 Status	A23 - A22 Change, M€	A23 - A22 Change, %
Income in total	72,7	67,6	-5,1	-7 %
<i>Costs of aid activities</i>	64,8	-62,1	126,9	-196 %
<i>Costs of support functions (fundraising, communications and stakeholder work) costs</i>	-5,2	-5,1	-0,1	-2 %
Costs in total (incl. general administration costs)	-72,9	-67,9	-5,0	-7 %
FCA Group in total	-0,2	-0,2	0,0	-24 %

The comparative data for the other key economic indicators are shown in the table below.

M€	2023		2022		Change	
	Group	Parent	Group	Parent	Group	Parent
Profit for the current period	-0,2	0,9	-0,2	-0,7	0,0	1,7
Shareholders' equity, including funds	15,6	16,6	17,4	17,3	-1,7	-0,7
Current receivables	18,7	16,6	16,7	15,0	2,0	1,6
of which prepayments paid	5,2	5,2	6,2	6,2	-0,9	-0,9
Liabilities	38,4	21,3	38,1	20,8	0,3	0,5
of which prepayments received	16,2	15,4	16,2	14,9	0,0	0,5

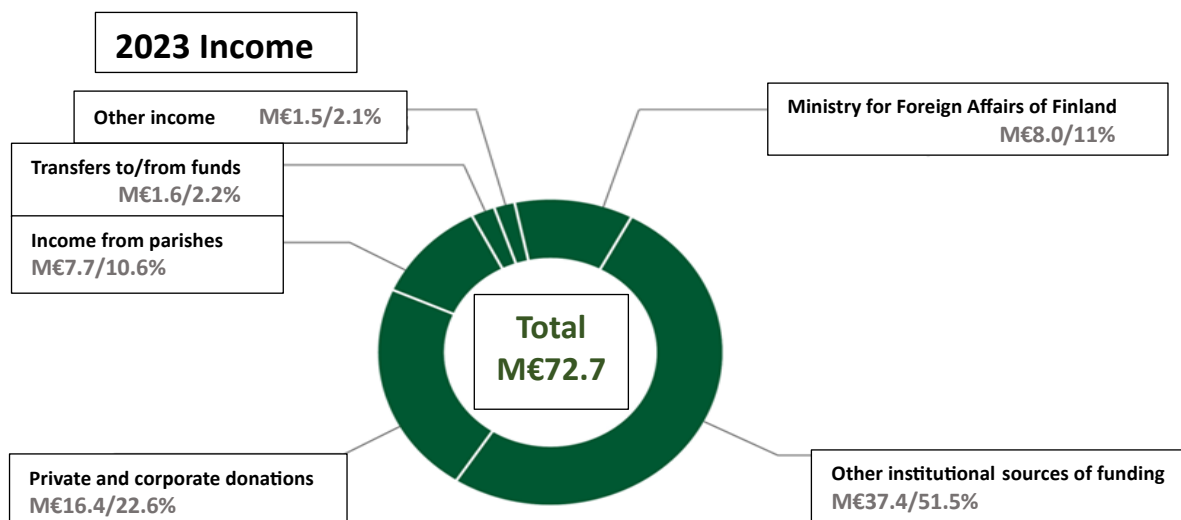
Non-current liabilities in total comprise a Finnish government loan to FCA Investments Ltd. The loan period is a maximum of 18 years from the first draw (2019). The Parent Company guarantees any loan losses up to EUR 3.0 million.

The Parent Company converted FCA Investment's non-current receivables valued at EUR 1 million into an equity subordinated loan.

3.1.1 Income

Profit and loss account (M€)	2023	2022	A23 - A22	A23 - A22
	Status	Status	Change, M€	Change, %
Ministry for Foreign Affairs of Finland	8,0	8,2	-0,1	-1 %
Other institutional sources of funding	37,4	34,0	3,4	10 %
Income from parishes	7,7	8,9	-1,2	-13 %
Donations from private parties	16,4	20,5	-4,1	-20 %
Other income	1,5	2,8	-1,2	-45 %
Transfers to/from funds	1,6	-6,7	8,3	-124 %
In total	72,7	67,6	5,1	7,5 %

Our income in 2023 represented an increase of 7.5% over the previous year. In particular, income from international institutional sources of funding grew by 10.0% from the previous year. The exceptional circumstances of 2022 resulting from the war in Ukraine led to an unprecedented flow of donations. This must be taken into account regarding domestic fundraising.



3.1.2 Costs

Profit and Loss Account, costs (M€)	2023 Status	2022 Status	A23 - A22 Change, M€	A23 - A22 Change, %
<i>Aid activities</i>	-64,8	-62,1	-2,7	4 %
<i>Support functions (fundraising, communications and stakeholder work)</i>	-5,2	-5,1	-0,1	3 %
<i>General administration</i>	-5,5	-5,0	0,1	11 %
<i>Appropriation of general administration costs to aid activities</i>	4,0	4,7	1,0	-15 %
<i>Investing activities</i>	-1,3	-0,4	0,3	199 %
Costs in total	-72,9	-67,9	5,0	7,4 %

Proportion of aid activities in relation to total costs, % **89 %** **91 %**

Costs in 2023 were marked by continued global inflation both in Finland and in most, if not all, of our countries of operation. Appropriations of general administration costs to aid activities fell significantly. This item mainly comprised donations (flat-rate compensations) from institutional donors to cover administrative costs.

The costs of aid activities represented 89% (91%) of all operating costs. This decline reflects a gradual return to the level that existed before the war in Ukraine.

Salaries and fees, including add-on costs, totalled €22.4 million (€22.1 million) and €19.9 million (€19.8 million).

During the financial year, FCA invested €1.2 million (€0.7 million) and €1.0 million (€0.7 million) in upgrading computer systems and acquiring hardware.

Depreciation on non-current assets amounted to €0.3 million (€0.1 million) and €0.2 million (€0.1 million).

The distribution of aid activity costs, including programme planning, monitoring and development costs, is shown below.

Country	Group 2023	Group 2022	Group 2021
Uganda	16.7	17.7	16.5
Ukraine	10.5	4.7	0.0
South Sudan	6.9	8.2	7.7
Kenya	6.0	4.5	2.5
Global	5.9	8.8	3.0
Somalia	5.3	4.7	4.6
Syrian Arab Republic	3.0	2.6	2.1
Myanmar	2.4	2.2	1.6
Central African Republic	2.3	3.2	3.4
Jordan	1.8	1.3	1.9
Cambodia	1.6	1.3	1.3
Nepal	1.0	1.0	1.1
Others	1.3	1.8	3.4
Total	64.8	62.0	49.1

4. Fundraising

Our private and corporate fundraising was highly successful in 2023. The humanitarian collections inspired donors, and we managed to collect funds for development cooperation projects as projected. Women's Bank donations were unprecedented, setting a new record.

Bequests have become a significant source of income for us in recent years, and this was evident in 2023 as well.

We began private and corporate fundraising locally in Kenya. Our country office there is now engaged in fundraising and communications with the support of an experienced team in Finland. In particular, corporate fundraising and stakeholder activities seem promising.

The strong financial support from the Evangelical Lutheran Church of Finland and its parishes for Finn Church Aid continued in 2023. The church and its parishes sustained support for Ukraine in particular, but increasingly other disasters as well. Budgetary allocations were slightly higher than in the period 2019–2021. The post-pandemic growth of proceeds from free collections continued.

5. The Most Significant Risks and Uncertainty Factors

By 'risk management,' we mean systematic, coordinated activities whereby we manage and control the risks associated with Finn Church Aid operations. Identifying threats and hazards, defining risks and taking steps to mitigate them are key risk management procedures. We engage in continuous risk assessment because situations often change rapidly – in some cases, almost daily. Through proactive risk management, we seek to prepare for threatening situations and have safety assessments where we seek to consider various factors that may lead to hazardous situations.

Following our strategy, we operate in the poorest, most fragile countries of the world. Because of this, the process of risk identification and management holds a key role in the effective implementation and success of the operations. We carry out risk assessment and management at all levels of the organisation in our offices both at home and abroad. To support this activity, we have developed a risk assessment tool. The assessment work results point to eight current high-risk areas as described below.

The war in Ukraine: The war in Ukraine has affected our operations in many ways. These include inflation, cyber-attacks and hybrid influencing by Russian actors, increasing food shortage and unrest. Registering and opening an office in Ukraine have increased the risks of our activities. An ongoing state of war is in itself a high risk that must be taken into account in everything, including personnel safety. The competition for experienced and skilled workers has been challenging and so has the availability of personnel in the first place. The unstable situation will surely be reflected in our work in the coming years.

Safety and security: Finn Church Aid devotes effort to the safety and security of its personnel in two ways: by developing related practices and policies and by providing personnel training and orientation. Safety and risk management are integral to our operations. We ensure these by preparing for eventualities and preventing incidents, accidents and damage.

During the year under review, one of the key security issues was the war in Ukraine. Road accidents, endangered public health security, information security issues and cybercrime were other most common threats in 2022. In addition to this, the political situation in our programme countries created a widely unstable operating climate.

We continued organising safety and security training for our personnel during the year. In addition to this, we developed training for our regional security officers. Their role is to support the country directors and offices in the daily security work. The security officers also need to serve as contacts in case of emergency and provide assistance for risk assessments and security policies relating to field trips.

Our Security Crisis Management Team (SECMT) focuses mainly on preparedness and preventive activities. The team aims to ensure the uninterrupted continuity and security of the organisation's operations and the safety and security of the personnel in a geopolitically shifting operating environment.

Quality and reliability: Difficult operating environments are challenging for maintaining the quality of the operations. When we joined the Core Humanitarian Standard Alliance (CHS) and gained quality certification, we committed to developing the quality and reliability of our operations to a high level. This requires constant effort and development as well as resources. Another one of things that need devoted effort is the orientation of personnel on new or revised guidelines and policies. To ensure quality, we have worked on our quality management system and appointed a data protection officer.

We also established a due diligence coordination group to improve the systematic monitoring of the measures taken based on the evaluation and audit reports. The Management Team monitors the progress of these measures twice a year.

Obtaining basic financing (unrestricted): The scope of our operations and their funding structure have changed significantly over the past ten years. Unlike the income of other Finnish non-governmental organisations, most of our income comes from international donors: for example, the UN and other international organisations, the development cooperation authorities of other countries, and development banks.

The growth of international funding requires us to have increasing flexibility and self-financing gathered from the Finnish collection and donor markets. We also need funding for buffers to finance the transition stages between projects. In addition to this, donors are seeing their resources dwindle, and so they require non-governmental organisations to have increased self-financing thresholds. The potential for growing our funding through the Finnish collection and donor markets is limited, however. If we cannot raise our self-financing threshold, this could have an impact on the funding for the technical support needed for projects. In turn, this could lead to work quality challenges. While the requirements for operational compliance and internal control are increasing, donors are reluctant to finance the general expenditure of projects and activities. So, the objectives for covering the costs cannot be achieved.

During the year under review, institutional donors focused on the Ukrainian crisis to the point where it reduced the availability of funding to our other countries of operation. High inflation also raised the financial risk.

Personnel well-being, availability and turnover: Hybrid work is still seeking its final form in terms of encouraging a sense of work community. Our organisational reform is still ongoing

as well. The war in Ukraine in itself, as well as the related discussions about possible financial cuts, have raised concern within the organisation and among its workers. All of these things have an impact on the well-being of the personnel. In cooperation with our service providers, we have organised activities to support and promote well-being. In our work community, we are learning new ways of working and being in contact with colleagues.

As our operations grow, our country-specific programmes need increasing numbers of competent and skilled personnel. Some countries are facing difficulties recruiting such personnel for some of the positions. The growing number of personnel creates its share of pressure to strengthen the human resources management of the country-specific programmes and for instance, to provide new workers with orientation. At the end of 2022, we introduced a new global human resources information system (HRIS). It will be in use in all country-specific programmes by the end of June 2023.

Dangerous and challenging operating environments and the project-like nature of the work increase staff turnover and short-term employment relationships. For the work to continue without interruption as the employees change, we must ensure the documentation of duties and their smooth transfer to the successors. The need for psychosocial support must also be taken into account.

Reputational risks: Aid activities are subject to constant scrutiny by the beneficiaries, the donors, the media and the public, seeking to find mistakes and failures. Addressing shortcomings in a misguided way may backfire as reputational deterioration, but also as a loss of donor confidence.

Each worker signs the 'Code of Conduct' at the beginning of their employment relationship with FCA, thereby pledging to fulfil the values of the Foundation and follow its rules. Having all-round policies will not guarantee success if we fail to pay enough attention to monitoring and audits, however. Successful recruitment processes, good work orientation and continuous training reduce the risks of mistakes and unethical activity by employees.

Mistakes made by our partners and other organisations engaging in aid activities may 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 Foundation's complaints mechanism is a tool for the improvement of reputation management as well. Our preparedness for reputational risks includes having a crisis communication plan and constantly following both the media and social media.

Safeguarding: An increasing number of our personnel in fragile contexts work with minors. This brings new types of requirements for the mechanisms we use to prevent abuse. We

seek to improve these mechanisms through continuous personnel training and awareness-raising in our operating communities. Our orientation for new workers ensures their commitment to our Code of Conduct and child safeguarding.

However, our resources are limited in terms of following the functioning of the mechanisms and providing technical and help desk support to the country-specific programmes. This observation has also been made in recent audits and evaluations. The lack of adequate monitoring may increase the risk of our work causing harm to the communities with which we work; inadequate monitoring also increases the risk to our reputation as a reliable actor in the eyes of the donors.

FCA is introducing a safeguarding policy in the spring of 2023. We are consulting the country offices on their need for support and stepping up their peer learning processes. We are also improving the monitoring and support capacity of the Service and Accountability Centre (SAC) in Helsinki.

6. Administration

In 2023, the Foundation's Board of Directors convened for eight meetings. Two of these were held via email while the others were hybrid meetings.

The three-year term of our previous Board ended after the meeting on 22 August 2023. Until then, the Board of Directors comprised Accountant Tarja Kantola as chair and lay member, Bishop Kaisamari Hintikka as vice-chair, and the following ordinary members: Solicitor Tuomas Aho, Director Sixten Ekstrand, Member of Parliament Atte Harjanne, Vicar Juhani Lavanko, Journalist Reetta Meriläinen, Ritva Ohmerooma (Master of Economic Sciences), Journalist Aila Paloniemi, Professor of Practice Ritva Reinikka, Pastor for International Ministry and Mission Mark Saba, Vicar Olli-Pekka Silfverhuth, and Doctoral Researcher of Theology Hanna Ylikangas. Member of Parliament Anna-Kaisa Ikonen resigned from the Board on 27 June 2023 after being appointed Minister.

As of 23 August 2023, the Board of Directors comprised Accountant Tarja Kantola as chair and lay member, Bishop Kaisamari Hintikka as vice-chair, and the following ordinary members: Helena Arlander (Master of Science, Master of Business Administration), Director Sixten Ekstrand, Specialist for Mission Work and International Responsibility Ulla Klemettinen, Professor Markku Kulmala, Member of Parliament Jarno Linnell, Vicar Niilo Pesonen, Professor of Practice Ritva Reinikka, Team Leader and Legal Advisor Satu Relander, Editor-in-Chief Riikka Räisänen, Rector/Managing Director Matti Sarén, Vicar Olli-Pekka Silfverhuth and Specialist Antti Toivanen.

In 2023, the expert members invited by the Board were Secretary-general Larissa Franz-Koivisto, Director of the Office for Global Mission (Evangelical Lutheran Church of Finland) Risto Jukko, Executive Director Riina Nguyen and Specialist Ulla Siirto (Doctor of Political Sciences).

6.1 Amendments to By-laws

An amendment to section 5 of our Foundation's by-law on the election of the Board of Directors came into force on 4 May 2023. In addition to this, section 6 of this by-law was amended so that the work and audit committees will be in office for the Board's term of office.

Following this amendment, the Church Council selects two members for our Board of Directors. In turn, the Board elects the other members and the chairman. To elect these other members, the Board sets up an election panel with three members. If the chair's term of office or that of a member expires before the Board's term of office, the Board will appoint a new chair or member for the remainder of the term. If there are at least ten remaining members, new members need not be appointed.

With this by-law amendment, we sought to counteract a misinterpretation that could consider Finn Church Aid a publicly controlled entity because more than 25% of its Board is appointed by the Church Council. Such an interpretation would result in our organisation being considered part of the Church Group. This would hurt FCA's eligibility for government aid. After discussions with the Church Council, the Board prepared a by-law amendment to restrict the Council's right of appointment. The Finnish Seamen's Mission, the Church Resources Agency and several of our Nordic sister organizations operate in the same way.

7. 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:

Members of the Board of Directors,
The Executive Director and members of the Management Team,
Members of the Global Management Team,
The Managing Director of FCA Investments Ltd,
The auditor or the accounting firm official who is principally responsible for the audit,
Members of field office administrative bodies in countries where such administrative bodies have decision-making power under local legislation.

Related parties also include the family members of the aforementioned parties.

In addition to this, the following organisations are 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 a policy for providing information on related-party transactions. We publish these transactions annually in the annual report of our Foundation. Defined under the Foundations Act, the FCA circle of related parties is very extensive. For this reason, it is impossible to provide an exhaustive mapping of all the parties related to those mentioned above.

7.1 Table of Related Parties

Transactions and financial benefits, €	Nature of related-party relationship				
	1	2	3	4	5
A Executive salaries and fees –	–	€17,015	€1,064,459	–	–
B Agreements	€704,750	€144,126	–	–	–
C Support granted	–	–	–	–	–
D Loans, liabilities and commitments	–	–	–	–	–

7.2 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.

7.3 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.

8. Essential Programme Activity Events After the End of the Financial Year

- The evaluation of the previous organisational reform has begun under the coordination of ACCENTURE.
- The Management Team has initiated measures to identify savings of EUR 500,000.
- Government aid budgeted for development cooperation and humanitarian aid may decrease following government cuts.
- The operations of FCA Investments' subsidiary Missing Middle Opportunity Facility Ltd have started slowly.

PROFIT AND LOSS ACCOUNT	Group 1.1. - 31.12.2023	Group 1.1. - 31.12.2022	Parent 1.1. - 31.12.2023	Parent 1.1. - 31.12.2023
ORDINARY OPERATIONS				
Aid activities				
Income				
From the government	8 047 903,63	8 153 026,40	7 985 752,77	8 068 690,90
Parishes	4 140 540,74	4 305 176,25	4 140 540,74	4 305 176,25
From international funding sources	37 424 302,07	33 984 810,67	33 612 936,62	31 612 232,70
Other income	416 053,58	2 036 651,27	896 823,20	279 882,05
	<u>50 028 800,02</u>	<u>48 479 664,59</u>	<u>46 636 053,33</u>	<u>44 265 981,90</u>
Expenses				
Direct aid	-31 228 132,85	-29 904 579,54	-31 312 790,96	-31 191 705,81
Personnel expenses	-19 103 416,62	-17 404 055,02	-16 371 216,31	-14 919 924,33
Other expenses	-14 481 766,84	-14 769 377,52	-13 053 387,58	-12 538 769,96
	<u>-64 813 316,30</u>	<u>-62 078 012,08</u>	<u>-60 737 394,85</u>	<u>-58 650 400,10</u>
Deficit	-14 784 516,29	-13 598 347,49	-14 101 341,52	-14 384 418,20
Support functions for aid activities				
Communications and stakeholder relations				
Income	96 325,12	88 413,90	96 325,12	88 413,90
Expenses				
Personnel expenses	-1 746 201,99	-1 353 052,59	-1 746 201,99	-1 353 052,59
Other expenses	-666 143,19	-540 377,02	-666 143,19	-540 377,02
	<u>-2 412 345,18</u>	<u>-1 893 429,61</u>	<u>-2 412 345,18</u>	<u>-1 893 429,61</u>
Deficit	-2 316 020,06	-1 805 015,71	-2 316 020,06	-1 805 015,71
General administration				
Income	54 683,78	65 493,66	54 683,78	311 493,66
Expenses				
Personnel expenses	-2 759 410,65	-2 572 250,80	-2 759 410,65	-2 572 250,80
Other expenses	-2 772 189,77	-2 229 331,52	-2 772 189,77	-1 991 813,53
Appropriation to sectors	4 011 360,12	4 703 007,78	4 011 360,12	4 703 007,78
	<u>-1 520 240,30</u>	<u>-98 574,54</u>	<u>-1 520 240,30</u>	<u>138 943,45</u>
Deficit	-1 465 556,52	-33 080,88	-1 465 556,52	450 437,11
Deficit from ordinary operations	-18 566 092,87	-15 436 444,08	-17 882 918,10	-15 738 996,80
FUNDRAISING				
Income				
Donations from private parties	15 807 296,89	17 274 187,86	15 807 296,89	17 274 124,93
Donations from companies and organisations	567 336,35	3 189 346,91	567 186,23	3 189 202,51
Donations from parishes	2 593 142,90	3 630 054,63	2 593 142,90	3 630 054,63
Other income	71 163,27	222 601,79	71 163,27	222 601,79
	<u>19 038 939,41</u>	<u>24 316 191,19</u>	<u>19 038 789,29</u>	<u>24 315 983,86</u>
Expenses	-2 811 198,70	-3 190 044,87	-2 811 198,70	-3 190 044,87
Surplus	16 227 740,71	21 126 146,32	16 227 590,59	21 125 938,99
INVESTMENT AND FUNDING ACTIVITIES				
Share of profit in partly-owned companies	21 121,72	25 012,68	0,00	0,00
Income	971 459,23	431 306,82	511 966,87	9 805,15
Expenses	-1 297 745,02	-434 051,28	-391 632,75	-348 694,33
Surplus-/Deficit	<u>-305 164,07</u>	<u>22 268,22</u>	<u>120 334,12</u>	<u>-338 889,18</u>
Surplus-/Deficit	-2 643 516,23	5 711 970,46	-1 534 993,39	5 048 053,01
GENERAL SUBSIDIES				
Operating subsidy from the Church Council	883 000,00	889 263,16	883 000,00	889 263,16
Profit/loss before fund transfers	<u>-1 760 516,23</u>	<u>6 601 233,62</u>	<u>-651 993,39</u>	<u>5 937 316,17</u>
FUND TRANSFERS				
Donation Fund	2 973 769,69	-7 989 498,35	2 973 769,69	-7 989 498,35
Disaster Fund	315 952,00	843 794,79	315 952,00	843 794,79
Women's Bank Fund	-1 709 528,32	360 436,04	-1 709 528,32	360 436,04
Aid Fund	0,00	117 780,76	0,00	117 780,76
	<u>1 580 193,37</u>	<u>-6 667 486,76</u>	<u>1 580 193,37</u>	<u>-6 667 486,76</u>
Taxes for the financial year	-13 396,14	-175 326,39	0,00	0,00
SURPLUS/DEFICIT FOR THE CURRENT PERIOD	<u><u>-193 719,00</u></u>	<u><u>-241 579,53</u></u>	<u><u>928 199,98</u></u>	<u><u>-730 170,59</u></u>

BALANCE SHEET	Group 31.12.2023	Group 31.12.2022	Parent 31.12.2023	Parent 31.12.2022
ASSETS				
NON-CURRENT ASSETS				
Intangible assets				
IT software	522 441,28	668 884,75	522 441,28	668 884,75
Other	65 079,50	1 735,00	1 735,00	1 735,00
Intangible assets in total	587 520,78	670 619,75	524 176,28	670 619,75
Tangible assets				
Land and water areas	45 861,17	49 279,80	0,00	0,00
Buildings and constructions	288 486,92	323 812,30	0,00	0,00
Machinery and equipment	59 106,02	69 311,69	24 501,66	11 143,96
Tangible assets in total	393 454,11	442 403,78	24 501,66	11 143,96
Investments				
Shares in companies of the same group	0,00	0,00	97 420,93	97 420,93
Holdings in affiliates	75 500,00	75 500,00	75 500,00	75 500,00
Other shares and interests	11 978 286,88	12 776 387,59	0,00	0,00
Other receivables	6 489 925,61	8 043 193,89	6 489 925,61	8 043 193,89
Investments in total	18 543 712,49	20 895 081,48	6 662 846,54	8 216 114,82
CURRENT ASSETS				
INVENTORIES				
Finished products	21 045,80	5 171,69	0,00	0,00
Other inventories	27 515,42	13 575,71	0,00	0,00
Inventories in total	48 561,22	18 747,40	0,00	0,00
Non-current receivables	1 112 718,75	1 411 614,23	1 478 000,00	778 000,00
Current receivables				
Sales receivables	27 716,64	10 446,66	341 219,32	352 582,60
Prepayments for projects	5 246 488,77	6 177 975,47	5 246 488,77	6 189 943,87
Accrued income	9 670 583,66	7 218 623,08	9 303 880,48	6 943 643,01
Other receivables	3 802 377,31	3 295 984,09	1 723 292,77	1 558 154,08
Current receivables in total	18 747 166,38	16 703 029,30	16 614 881,34	15 044 323,56
Cash in hand and at banks	14 647 584,11	15 363 392,28	12 589 911,24	13 357 750,82
ASSETS IN TOTAL	54 080 717,84	55 504 888,22	37 894 317,06	38 077 952,91
SHAREHOLDERS' EQUITY AND LIABILITIES				
SHAREHOLDERS' EQUITY				
Subscribed capital	33 637,59	33 637,59	33 637,59	33 637,59
Other funds allocated to specific activities				
Donation Fund	6 103 049,85	9 076 819,54	6 103 049,85	9 076 819,54
Disaster funds	1 727 236,58	2 043 188,58	1 727 236,58	2 043 188,58
Women's Bank	3 118 424,08	1 408 895,76	3 118 424,08	1 408 895,76
Surplus from previous periods	4 853 353,91	5 051 376,52	4 728 183,41	5 456 798,26
Surplus/Deficit for the current period	-193 719,00	-241 579,53	928 199,98	-730 170,59
Shareholders' equity in total	15 641 983,01	17 372 338,46	16 638 731,49	17 289 169,14
LIABILITIES				
Non-current				
Loans	16 000 000,00	16 000 000,00	0,00	0,00
Current				
Deferred income	16 208 006,24	16 233 153,03	15 431 923,77	14 941 549,64
Accounts payable	1 476 725,90	1 386 668,20	1 348 985,07	1 271 061,01
Other debts	1 220 217,47	834 663,88	1 410 984,85	1 398 550,33
Accrued expenses	3 533 785,22	3 678 064,65	3 063 691,88	3 177 622,79
Liabilities in total	38 438 734,83	38 132 549,75	21 255 585,57	20 788 783,77
SHAREHOLDERS' EQUITY AND LIABILITIES IN TOTAL	54 080 717,84	55 504 888,22	37 894 317,06	38 077 952,91

CASH FLOW STATEMENT	Group		Parent	
	1.1.2023-31.12.2023	1.1.2022-31.12.2022	1.1.2023-31.12.2023	1.1.2022-31.12.2022
Cash flow from operations				
Cash flow from ordinary operations				
Deficit from ordinary operations	-18 577 924,23	-15 436 444,08	-17 882 918,10	-15 738 996,80
Adjustments				
Costs of ordinary operations, including depreciation	294 816,55	147 888,67	226 865,23	121 266,00
General subsidy for youth work	-85 000,00	-78 736,84	-85 000,00	-78 736,84
Interest paid on long-term loans	80 000,00	80 000,00	0,00	0,00
Income taxes	-13 396,14	-175 326,39	0,00	0,00
Cash flow before change in working capital	-18 301 503,82	-15 462 618,63	-17 741 052,87	-15 696 467,64
Change in working capital	-394 436,71	5 528 741,40	239 759,31	6 020 867,95
Cash flow from ordinary operations	-18 695 940,53	-9 933 877,24	-17 501 293,56	-9 675 599,69
Cash flow from fundraising				
Surplus from fundraising	16 239 572,07	21 126 146,32	16 227 590,59	21 125 938,99
Change in working capital	-1 343 515,29	-6 751 981,00	-1 343 515,29	-6 751 981,00
Cash flow from fundraising	14 896 056,78	14 374 165,32	14 884 075,30	14 373 957,99
General subsidies received	968 000,00	968 000,00	968 000,00	968 000,00
Cash flow from operations (A)	-2 831 883,75	5 408 288,08	-1 649 218,26	5 666 358,30
Cash flow from investing activities				
Investments in tangible assets	-144 020,51	-441 836,04	-93 779,46	-437 198,56
Other investments	2 351 368,99	-829 707,46	1 553 268,28	-1 849 262,77
Change in non-current receivables from investments	298 895,48	-1 336 442,41	-700 000,00	-300 000,00
Income from investments	-326 285,79	-2 744,46	120 334,12	-338 889,18
Dividends received from investments	-21 121,72	-25 012,68	0,00	0,00
Translation differences and others	37 239,13	-92 309,78	1 555,74	0,00
Cash flow from investing activities (B)	2 196 075,58	-2 728 052,83	881 378,68	-2 925 350,51
Cash flow from financing activities				
Interest and fees paid on financial expenses	-80 000,00	-80 000,00	0,00	0,00
Repayment of non-current loans	0,00	0,00	0,00	0,00
Equity increase	0,00	0,00	0,00	0,00
Cash flow from financing activities (C)	-80 000,00	-80 000,00	0,00	0,00
Change in cash flows (A+B+C)	-715 808,17	2 600 235,25	-767 839,58	2 741 007,79
Cash in hand and at bank at the beginning of the current period	15 363 392,28	12 763 157,03	13 357 750,82	10 616 743,03
Cash in hand and at bank at the end of the current period	14 647 584,11	15 363 392,28	12 589 911,24	13 357 750,82
Change in cash in hand and at banks	-715 808,17	2 600 235,25	-767 839,58	2 741 007,79

FINN CHURCH AID

NOTES TO THE FINANCIAL STATEMENTS OF 31.12.2023

1. NOTES ON THE PREPARATION OF THE FINANCIAL STATEMENTS

Non-current assets and depreciation

Depreciation according to the Parent plan is calculated as straight-line depreciation by 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 money is used for project implementation. Project funds sent to partners but not used are recorded as prepayments for projects under receivables in the balance sheet. Information about unused project funds is mainly based on unaudited financial data provided by partners.

Branch offices

Finn Church Aid offices in Cambodia, the Central African Republic, South Sudan, Somalia, Uganda, Myanmar, Nepal, Syria and Ukraine are treated as its branch offices. The office in Ethiopia was opened but it had no accounting events in 2023.

The expenses in foreign currencies from the aforementioned offices are consolidated into the Finn Church Aid profit and loss account using OANDA's daily exchange rates with some exceptions: the expenses of the offices in South Sudan, Myanmar and Syria are consolidated using the exchange rates published by the central banks of those countries. The income of these offices is consolidated using the exchange rate of the day of receipt. Prepayments are entered in the balance sheet at the exchange rate of their dates of transaction.

The branches' cash in hand and at bank is valued at the exchange rate of the balance sheet date while 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.

Group subsidiaries

Offices in Jordan, Kenya, Thailand and the USA are treated as independently accountable entities. Likewise, Egg Production Limited and FCA Investments Ltd are independently accountable. Missing Middle Opportunity Facility Ltd is a subsidiary of FCA Investment Ltd, and its branch office is called Missing Middle Opportunity Uganda.

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. FCA Investment Group is consolidated into the Finn Church Aid group financial statements.

The income and expenses in foreign currencies from these offices are consolidated into the Finn Church Aid group profit and loss account, using OANDA's daily exchange rates. The 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 Parent Company converted FCA Investment's non-current receivables valued at EUR 1 million into an equity subordinated loan. It is itemised in the FCA balance sheet under non-current receivables.

The treatment and itemisation of income from aid activities and fundraising and funds

Income from aid activities includes allocated aid from the government and other institutional donors. This income is itemised on an accrual basis. Budget contributions unused by parishes at the end of the year are also itemised on an accrual basis under income from aid activities. However, budget contributions received at the beginning of the following year are not deferred to the current period. Unused aid carried forward to the next year is itemised in deferred income.

The unused budget contributions to the Donation Fund, recorded in deferred income, are calculated proportionally to the total collection income and its use.

The general subsidy received from the Church Council is itemised in the profit and loss account under the item 'Operating subsidy from the Church Council.

Income from fundraising includes donations from private parties, corporations, organisations and parishes. Allocated donations received are treated through other funds intended for the specific purpose in question. Unused allocated donations are carried forward to funds for the next year.

Non-allocated donations received are included in the profit/loss for the current period.

Bequests received are recognised as income once the bequeathed receivable becomes legally valid.

Other information

Investments held within capital redemption policies are recorded at their acquisition cost as investments under non-current assets in the balance sheet. Instead of itemising other investments at the acquisition cost, these are shown at their market value on the balance sheet date in so far as this value is below the acquisition cost. These investments are valued on a security-by-security basis.

FINN CHURCH AID

NOTES TO THE FINANCIAL STATEMENTS OF 31.12.2023

2. NOTES TO THE PROFIT AND LOSS ACCOUNT

	Group 2023	Group 2022	Parent 2023	Parent 2022
TOTAL INCOME AND EXPENSES				
Income	71 094 329,28	74 295 346,00	67 220 818,39	69 880 941,63
Operating costs				
Aid activities	-64 813 316,30	-62 078 012,08	-60 737 394,85	-58 650 400,10
Support functions and administration	-8 054 925,34	-5 791 426,69	-7 135 416,93	-5 293 225,36
Expenses in total	-72 868 241,64	-67 869 438,77	-67 872 811,78	-63 943 625,46
Transfers to/from funds	1 580 193,37	-6 667 486,76	1 580 193,37	-6 667 486,76
Profit/Loss for the current period	-193 719,00	-241 579,53	928 199,98	-730 170,59
INCOME FROM ORDINARY OPERATIONS				
Income from the Finnish government for aid activities				
Ministry for Foreign Affairs – programme support	6 358 000,01	6 358 000,00	6 358 000,01	6 358 000,00
Ministry for Foreign Affairs – humanitarian aid	0,00	545 824,84	0,00	545 824,84
Ministry for Foreign Affairs – other	1 659 203,62	1 218 501,56	1 597 052,76	1 134 166,06
Finnish government – Ministry of Education and Culture	30 700,00	30 700,00	30 700,00	30 700,00
In total	8 047 903,63	8 153 026,40	7 985 752,77	8 068 690,90
Income from the EU for aid activities				
EU development cooperation	2 097 961,96	2 992 002,57	2 097 961,96	2 992 002,57
EU humanitarian aid	10 041 667,56	6 596 173,86	10 041 667,56	6 596 173,86
In total	12 139 629,52	9 588 176,43	12 139 629,52	9 588 176,43
Income from institutional funding sources				
UN – humanitarian funds	1 442 892,09	1 472 816,72	1 442 892,09	1 472 816,72
UN – UNHCR	6 714 725,68	6 398 724,21	6 104 338,11	5 826 386,26
UN – UNICEF	2 342 044,01	2 121 073,98	622 239,37	1 100 088,03
UN – RSRTF	1 302 391,05	500 614,65	1 302 391,05	500 614,65
UN (other)	1 223 146,42	884 570,41	1 223 146,42	884 570,41
Education Cannot Wait	745 400,45	4 674 433,59	692 501,85	4 674 433,59
US Government	5 863 543,49	5 624 548,91	5 863 543,49	5 624 548,91
Dutch Government	1 297 615,01	662 985,77	166 163,11	4 100,37
Other government funding	1 336 587,18	952 093,55	1 303 946,88	873 363,41
Other institutional funding	2 757 934,59	1 008 920,17	2 493 752,15	967 281,64
ACT	258 392,58	95 852,28	258 392,58	95 852,28
In total	25 284 672,55	24 396 634,24	21 473 307,10	22 024 056,27
Income from parishes for aid activities				
Budget contributions	4 140 540,74	4 305 176,25	4 140 540,74	4 305 176,25
Other income for aid activities	470 737,36	2 102 144,93	951 506,98	591 375,71
Other income for aid activities support functions				
Church Council support for youth work	85 000,00	78 736,84	85 000,00	78 736,84
Other income	11 325,12	9 677,06	11 325,12	9 677,06
In total	96 325,12	88 413,90	96 325,12	88 413,90
INCOME FROM ORDINARY OPERATIONS IN TOTAL	50 179 808,92	48 633 572,15	46 787 062,23	44 665 889,46

FINN CHURCH AID

NOTES TO THE FINANCIAL STATEMENTS OF 31.12.2023

	Group 2023	Group 2022	Parent 2023	Parent 2022
FUNDRAISING INCOME				
Donations from private parties	15 807 296,89	17 274 187,86	15 807 296,89	17 274 124,93
Product sales	68 212,11	207 065,81	68 212,11	207 065,81
Red Nose Day collection	150 313,84	217 521,54	150 313,84	217 521,54
Other indemnities	2 951,16	15 535,98	2 951,16	15 535,98
In total	16 028 774,00	17 714 311,19	16 028 774,00	17 714 248,26
Donations from companies and organisations (Red Nose Day collection above)	417 022,51	2 971 825,37	416 872,39	2 971 680,97
Donations from parishes	2 593 142,90	3 630 054,63	2 593 142,90	3 630 054,63
FUNDRAISING INCOME IN TOTAL	19 038 939,41	24 316 191,19	19 038 789,29	24 315 983,86
Church Council operating subsidy	883 000,00	889 263,16	883 000,00	889 263,16
Share of profit in partly-owned companies	21 121,72	25 012,68	0,00	0,00
Investing and funding activities	971 459,23	431 306,82	511 966,87	9 805,15
In total	1 875 580,95	1 345 582,66	1 394 966,87	899 068,31
MOVEMENTS IN FUNDS	1 580 193,37	-6 667 486,76	1 580 193,37	-6 667 486,76
AVERAGE NO. OF PERSONNEL	2023	2022	2023	2022
Stakeholder work	23	23	23	23
Strategy and thematic development	29	34	29	34
Programme activities support				
Helsinki	17	18	17	18
Sent	34	33	30	28
Locally recruited	2 334	2 746	1 975	2 382
Director's office	10	9	5	4
Funding activities (including hourly wages)	25	44	25	44
Financial and operational support	20	17	20	17
HR and administration	13	12	13	12
In total	2 505	2 936	2 137	2 562
PERSONNEL EXPENSES	2023	2022	2023	2022
Salaries and fees paid from Finland	9 512 112,02	9 500 179,67	9 512 112,02	9 500 179,67
Pension costs paid from Finland	1 090 315,04	1 159 129,36	1 090 315,04	1 159 129,36
Other personnel add-on costs paid from Finland	297 261,01	307 006,02	297 261,01	307 006,02
Salaries and add-on costs paid from country offices	11 470 028,63	11 087 348,08	8 950 763,03	8 833 281,97
In total	22 369 716,70	22 053 663,13	19 850 451,10	19 799 597,02
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.				
Board meeting fees	2023	2022	2023	2022
	17 015,00	13 260,00	17 015,00	13 260,00
The meeting fees for 2023 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.				
Auditors' fees	2023	2022	2023	2022
Audit	77 326,40	50 280,47	77 326,40	50 280,47
Assignments	66 799,41	70 363,71	66 799,41	70 363,71
Local auditing costs for country offices	453 457,65	330 111,40	308 698,18	270 414,63
Acquisitions entered as exp. during the current period	2023	2022	2023	2022
IT software and licences	825 694,62	477 080,91	814 382,42	477 079,40
Machinery, IT hardware, and equipment	327 529,40	257 473,91	204 332,17	241 882,79

FINN CHURCH AID

NOTES TO THE FINANCIAL STATEMENTS OF 31.12.2023

3. NOTES TO THE BALANCE SHEET

	Group 2023	Group 2022	Parent 2023	Parent 2022
INTANGIBLE AND TANGIBLE ASSETS				
IT SOFTWARE				
Acquisition cost at the beginning of the current period on 1.1.	811 270,56	371 012,80	811 270,56	371 012,80
Additions during the financial period 1.1.-31.12.	69 259,70	440 257,76	69 259,70	440 257,76
Acquisition cost at the end of the current period on 31.12.	880 530,26	811 270,56	880 530,26	811 270,56
Accrued depreciation according to plan on 1.1.	-142 385,81	-30 921,66	-142 385,81	-30 921,66
Planned depreciation for the current period on 31.12.	-215 703,17	-111 464,15	-215 703,17	-111 464,15
Book value on 31.12.	522 441,28	668 884,75	522 441,28	668 884,75
OTHER INTANGIBLE ASSETS				
Acquisition cost at the beginning of the current period on 1.1.	1 735,00	0,00	1 735,00	0,00
Additions during the financial period 1.1.-31.12.	63 344,50	1 735,00	0,00	1 735,00
Acquisition cost at the end of the current period on 31.12.	65 079,50	1 735,00	0,00	1 735,00
Book value on 31.12.	65 079,50	1 735,00	1 735,00	1 735,00
LAND AND WATER AREAS				
Acquisition cost at the beginning of the current period on 1.1.	49 279,80	45 111,17	0,00	0,00
Additions during the financial period 1.1.-31.12.	0,00	4 168,63	0,00	0,00
Deductions during the financial period 1.1.-31.12.	-3 418,63	0,00	0,00	0,00
Acquisition cost at the end of the current period on 31.12.	45 861,17	49 279,80	0,00	0,00
Book value on 31.12.	45 861,17	49 279,80	0,00	0,00
BUILDINGS AND CONSTRUCTIONS				
Acquisition cost at the beginning of the current period on 1.1.	389 301,33	344 172,50	0,00	0,00
Additions during the financial period 1.1.-31.12.	0,00	21 887,41	0,00	0,00
Acquisition cost at the end of the current period on 31.12.	389 301,33	366 059,91	0,00	0,00
Accrued depreciation according to plan on 1.1.	-42 247,61	-25 204,86	0,00	0,00
Planned depreciation for the current period on 31.12.	-58 566,80	-17 042,75	0,00	0,00
Book value on 31.12.	288 486,92	323 812,29	0,00	0,00
MACHINERY AND EQUIPMENT				
Acquisition cost at the beginning of the current period on 1.1.	780 830,79	766 914,15	690 831,15	695 625,35
Additions during the financial period 1.1.-31.12.	26 328,66	13 916,64	24 519,76	2 608,96
Deductions during the financial period 1.1.-31.12.	0,00	-7 403,16	0,00	-7 403,16
Acquisition cost at the end of the current period on 31.12.	791 171,71	780 830,79	715 350,91	690 831,15
Accrued depreciation according to plan on 1.1.	-711 519,11	-692 137,34	-679 687,19	-669 885,34
Planned depreciation for the current period on 31.12.	-20 546,58	-19 381,77	-11 162,06	-9 801,85
Book value on 31.12.	59 106,02	69 311,69	24 501,66	11 143,96
PLANNED DEPRECIATION				
	2023	2022	2023	2022
IT software	215 703,17	111 464,15	215 703,17	111 464,15
Buildings and constructions	58 566,80	17 042,75	0,00	0,00
Machinery and equipment	20 546,58	19 381,77	11 162,06	9 801,85
In total	294 816,55	147 888,67	226 865,23	121 266,00
SHARES AND OTHER INTERESTS				
	2023	2022	2023	2022
FCA Investments, Helsinki, 100%	0,00	0,00	2 500,00	2 500,00
Egg Production (U) Ltd, 100%, and the field office in Thailand	0,00	0,00	94 920,93	94 920,93
Omnia Education Partnerships Ltd, 20%	75 500,00	75 500,00	75 500,00	75 500,00
Other shares and interests	11 978 286,88	12 776 387,59	0,00	0,00
In total	12 053 786,88	12 851 887,59	172 920,93	172 920,93
OTHER RECEIVABLES				
	2023	2022	2023	2022
Market value	6 819 561,14	8 065 973,68	6 819 561,14	8 065 973,68
Book value	6 489 925,61	8 043 193,89	6 489 925,61	8 043 193,89
Difference	329 635,53	22 779,79	329 635,53	22 779,79
SALES RECEIVABLES	27 716,64	10 446,66	341 219,32	352 582,60
PREPAYMENTS FOR PROJECTS				
	2023	2022	2023	2022
Receivables from partners	5 246 488,77	6 177 975,47	5 246 488,77	6 189 943,87
Partners implementing Finn Church Aid projects and independently accountable country offices notify Finn Church Aid of the share of the funds allocated to them, which was unused on the balance sheet date. This share of funds is entered on the balance sheet under 'Activated project funds'. This information is mainly based on unaudited reports.				
ACCRUED INCOME				
	2023	2022	2023	2022
Receivables from KELA	44 038,00	43 500,00	44 038,00	43 500,00
Insurance premium receivables	689,04	169,53	689,04	169,53
Accrued income from donations	4 473 385,42	1 549 676,76	4 473 385,42	1 549 676,76
Receivables from donors	5 020 845,27	5 266 317,17	4 780 456,77	5 266 317,17
Other accrued income	131 625,93	358 959,62	5 311,25	83 979,55
In total	9 670 583,66	7 218 623,08	9 303 880,48	6 943 643,01
OTHER RECEIVABLES	3 802 377,31	3 295 984,09	1 723 292,77	1 558 154,08

FINN CHURCH AID

NOTES TO THE FINANCIAL STATEMENTS OF 31.12.2023

CHANGES IN SHAREHOLDERS' EQUITY	Group 2023	Group 2022	Parent 2023	Parent 2022
Subscribed capital	33 637,59	33 637,59	33 637,59	33 637,59
Other funds allocated to specific activities	2023	2022	2023	2022
Donation Fund, opening balance on 1.1.	9 076 819,54	1 087 321,19	9 076 819,54	1 087 321,19
Additions during the current period	3 787 677,45	14 067 252,50	3 787 677,45	14 067 252,50
Subsidies during the current period	-6 761 447,14	-6 077 754,15	-6 761 447,14	-6 077 754,15
Donation Fund capital on 31.12.	6 103 049,85	9 076 819,54	6 103 049,85	9 076 819,54
Disaster Fund, opening balance on 1.1.	2 043 188,58	2 886 983,37	2 043 188,58	2 886 983,37
Additions during the current period	4 396 240,74	3 002 817,67	4 396 240,74	3 002 817,67
Subsidies during the current period	-4 712 192,74	-3 846 612,46	-4 712 192,74	-3 846 612,46
Disaster Fund capital on 31.12.	1 727 236,58	2 043 188,58	1 727 236,58	2 043 188,58
Women's Bank Fund, opening balance on 1.1.	1 408 895,76	1 769 331,80	1 408 895,76	1 769 331,80
Additions during the current period	3 321 436,97	1 472 017,59	3 321 436,97	1 472 017,59
Subsidies during the current period	-1 611 908,65	-1 832 453,63	-1 611 908,65	-1 832 453,63
Women's Bank Fund capital on 31.12.	3 118 424,08	1 408 895,76	3 118 424,08	1 408 895,76
Aid Fund, opening balance on 1.1.	0,00	117 780,76	0,00	117 780,76
Additions during the current period	0,00	0,00	0,00	0,00
Subsidies during the current period	0,00	-117 780,76	0,00	-117 780,76
Aid Fund capital on 31.12.	0,00	0,00	0,00	0,00

Private sector and parish donations allocated to projects are recorded in the Donation Fund.

Through Disaster Fund money, Finn Church Aid can respond to sudden natural or man-made disasters by delivering help quickly.

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

By agreement with the donor, the Aid Fund's capital was allocated to a specific project in 2022. Consequently, the Aid Fund has been dissolved.

	2023	2022	2023	2022
Surplus from previous periods on 31.12.	4 853 353,91	5 051 376,52	4 728 183,41	5 456 798,26
Surplus/Deficit for the current period	-193 719,00	-241 579,53	928 199,98	-730 170,59
SHAREHOLDERS' EQUITY ON 31.12.	15 641 983,01	17 372 338,46	16 638 731,49	17 289 169,14
DEFERRED INCOME	2023	2022	2023	2022
Ministry for Foreign Affairs, programme support	492 000,00	492 000,00	492 000,00	492 000,00
Ministry for Foreign Affairs, humanitarian aid	2 500 000,00	500 006,41	2 500 000,00	500 006,41
Ministry for Foreign Affairs, other	15 924,11	968 611,56	15 924,11	968 611,56
EU development cooperation	125 204,36	1 073 100,75	125 204,36	1 073 100,75
EU humanitarian aid	7 112 685,15	9 414 522,24	7 112 685,15	9 414 522,24
United Nations	390 641,65	1 251 235,73	382 403,70	1 027 510,90
Other government funding	2 975 672,69	1 466 597,60	2 410 893,10	437 284,52
Other institutional funding	1 912 299,60	112 833,92	1 709 234,67	74 268,44
ACT	110 036,20	193 116,84	110 036,20	193 116,84
Budget contributions from parishes	573 542,48	761 127,98	573 542,48	761 127,98
	16 208 006,24	16 233 153,03	15 431 923,77	14 941 549,64

Other deferred income comprises subsidies allocated to specific projects.

FINN CHURCH AID

NOTES TO THE FINANCIAL STATEMENTS OF 31.12.2023

	Group 2023	Group 2022	Parent 2023	Parent 2022
ACCRUED EXPENSES				
Holiday pay liabilities	1 726 678,84	1 424 964,47	1 716 519,58	1 424 964,47
Statutory insurance premium liabilities	54 169,80	316 404,04	54 169,80	316 404,04
Debts to projects	889 501,08	1 391 864,34	452 967,79	1 114 299,22
Other accrued expenses	863 435,50	544 831,80	840 034,71	321 955,06
In total	3 533 785,22	3 678 064,65	3 063 691,88	3 177 622,79
OFF-BALANCE-SHEET COMMITMENTS	2023	2022	2023	2022
Finn Church Aid Foundation's maximum guarantee for potential losses from M€16 loan to FCA Investments Ltd	3 000 000,00	3 000 000,00	3 000 000,00	3 000 000,00
LEASING LIABILITIES	2023	2022	2023	2022
Payable later	3 450,00	1 320,00	3 450,00	1 320,00
RENT LIABILITY ON BUSINESS PREMISES	2023	2022	2023	2022
Eteläranta 8, 00130 Helsinki in total,	376 453,84	1 009 150,22	376 453,84	1 009 150,03
payable in the next financial year	376 453,84	632 696,07	376 453,84	632 695,95
or later	0,00	376 454,16	0,00	376 454,09

DATE AND SIGNATURES TO THE FINANCIAL STATEMENTS AND ANNUAL REPORT

Helsinki, 7 May 2024

Tarja Kantola, Chair

Kaisamari Hintikka, Vice-chair

Helena Arlander

Sixten Ekstrand

Ulla Klemettinen

Markku Kulmala

Jarno Limnell

Niilo Pesonen

Ritva Reinikka

Satu Relander

Riikka Räisänen

Matti Sarén

Olli-Pekka Silfverhuth

Antti Toivanen

Tomi Järvinen, Executive Director**AUDITOR'S NOTATION**

A report on the audit performed has been issued on the date of the electronic signature.

KPMG Oy Ab, Audit Firm

Kirsi Aromäki
Authorised Public Accountant in Finland

FINN CHURCH AID**LIST OF ACCOUNTING BOOKS AND MATERIALS**

38

The nominal ledger accounting of the Foundation and the accounting of the country offices are both kept using the Unit4 enterprise software suite. In Finland, Unit4 Accounts Payable is used as well.

The accounting data of Egg Production Limited and the US office have been imported into Unit4.

The recycling system for travel and expense invoices was M2 until the end of November; thereafter, Unit4 TEM.

In Finland, the payment and settlement system is Nomentia while the donation processing system is Salesforce.

Payroll accounting is kept using Mepco.

ACCOUNTING MATERIALS	DOCUMENT	Recording method
General Ledger Transactions	2	Electronic
Reposting	3	Electronic
Bank Transactions	4	Electronic
Currency Revaluation	5	Electronic
Salaries from MEPCO	6	Electronic
Reversals	7	Electronic
Posting of Incoming Invoices	12	Electronic
Posting of Customer Invoices	22	Electronic
Receipt	25	Electronic
Expense Posting	42	Electronic
Update GL with Payments	48	Electronic
Bank separate series	BD	Electronic
BI – Batch Input	BI	Electronic
RJ – Recurring Journal	RJ	Electronic
YE – Year End Transactions	YE	Electronic