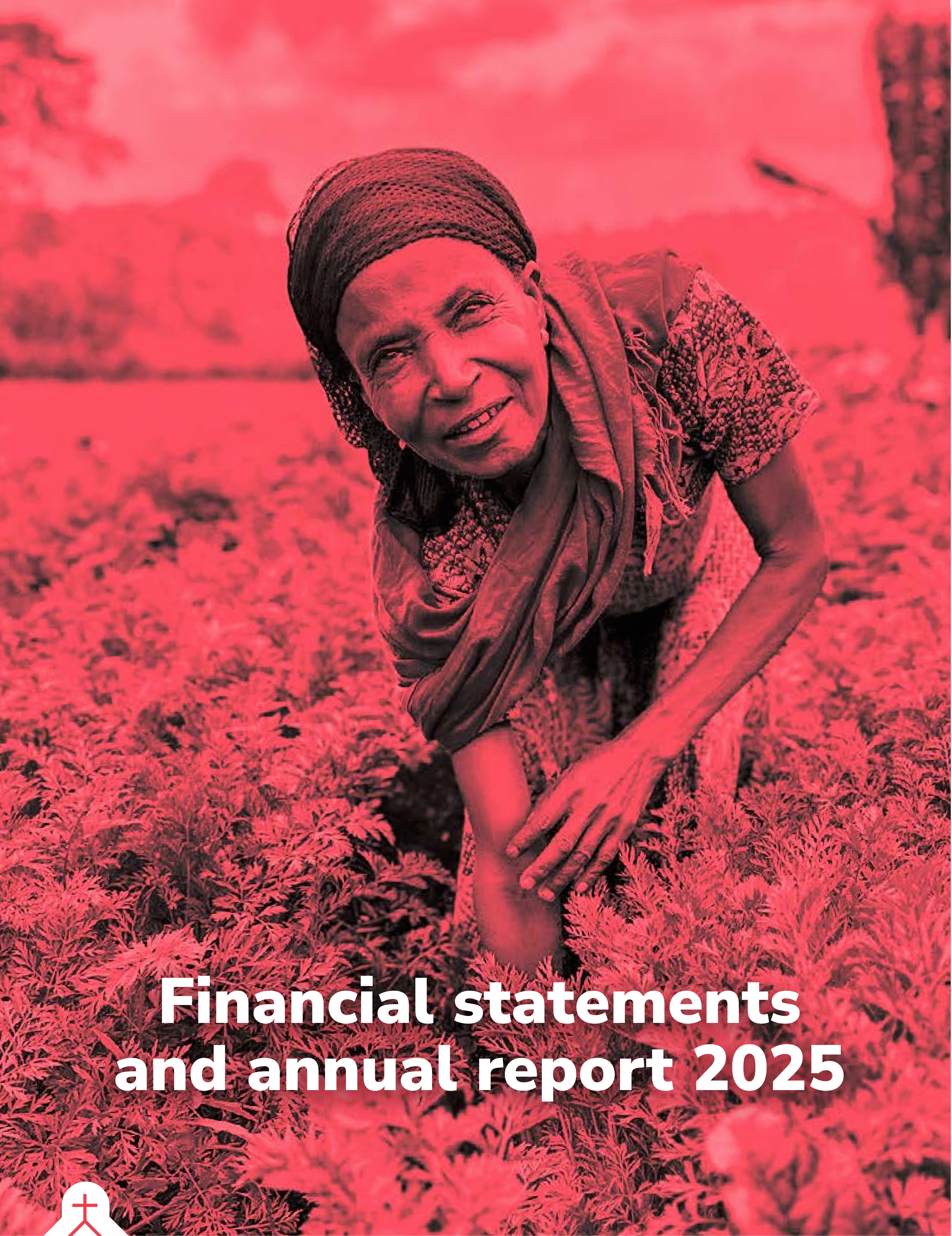

# Financial statements and annual report 2025

Felm

Financial statements for the financial year
1 January 2025 – 31 December 2025

# Contents



The financial statements must be retained for at least 10 years from the end of the financial year, i.e. until 31 December 2035 (chapter 2, section 10, subsection 1 of the Accounting Act).

The receipts for the financial year must be retained for at least 6 years after the end of the year during which the financial year ended, or until 31 December 2031 (chapter 2, section 10, subsection 2 of the Accounting Act).

## BALANCE SHEET 31 Dec 2025

| ASSETS | 31 Dec 2025 | 31 Dec 2024 |
|---|---:|---:|
| **NON-CURRENT ASSETS** | | |
| **Intangible assets** | | |
| Software | 116,433.44 | 109,077.15 |
| **Tangible assets** | | |
| Buildings and structures | 6,971,223.58 | 7,530,411.82 |
| Machinery and equipment | 26,012.99 | 22,718.56 |
| **Tangible assets total** | **6,997,236.57** | **7,553,130.38** |
| **INVESTMENTS** | | |
| Shares in fixed assets | 506,720.72 | 845,956.72 |
| Shares in apartments | 1,704,807.91 | 1,670,021.97 |
| Other shares and participations | 13,623,138.61 | 12,775,374.52 |
| Fiduciary accounts for investments | 383,853.30 | 275,945.68 |
| **Investments total** | **16,218,520.54** | **15,567,298.89** |
| Investments of self-funded funds | 70,305.53 | 77,722.09 |
| **NON-CURRENT ASSETS TOTAL** | **23,402,496.08** | **23,307,228.53** |
| **CURRENT ASSETS** | | |
| **Inventories** | | |
| Finished products | 54,124.37 | 70,353.74 |
| **Receivables** | | |
| **Long-term receivables** | | |
| Securities | 40,000.00 | 30,000.00 |
| **Short-term receivables** | | |
| Accounts receivable | 34,082.61 | 23,571.06 |
| Rent receivables | 40,950.82 | 40,416.06 |
| Personnel-related receivables | 16,857.22 | 34,677.79 |
| Accrued receivables (purchase invoices) | 60,312.42 | 34,312.98 |
| Advance payments | 62,396.00 | 328,055.17 |
| Prepayments and accrued income | 1,534,379.26 | 1,323,710.96 |
| **Current receivables total** | **1,748,978.33** | **1,784,744.02** |
| **Cash in hand and at bank** | **737,096.26** | **302,160.27** |
| **CURRENT ASSETS TOTAL** | **2,580,198.96** | **2,187,258.03** |
| **ASSETS TOTAL** | **25,982,695.04** | **25,494,486.56** |

| LIABILITIES | 31 Dec 2025 | 31 Dec 2024 |
|---|---|---|
| **EQUITY** | | |
| Working capital | -3,000,473.85 | -3,000,473.85 |
| Self-financed funds | -70,305.53 | -77,722.09 |
| Other restricted funds | -2,377,354.14 | -2,814,245.25 |
| Non-restricted funds | -280,498.09 | -289,812.04 |
| Surplus/deficit for previous financial years | -14,222,493.97 | -13,179,061.30 |
| Result for the financial year | -818,470.79 | -1,043,432.67 |
| **Equity total** | **-20,769,596.37** | **-20,404,747.20** |
| **LIABILITIES** | | |
| **Non-current liabilities** | | |
| Loans from financial institutions | -375,000.00 | -775,000.00 |
| **Non-current liabilities** | **-375,000.00** | **-775,000.00** |
| **Current liabilities** | | |
| Loans from financial institutions | -400,000.00 | -400,000.00 |
| Advances received | -508,301.17 | -1,017,426.02 |
| Accounts payable | -340,088.13 | -499,353.05 |
| **Other liabilities** | | |
| Withholding tax and other amounts deducted | -102,244.30 | -90,790.12 |
| Social security liabilities | -9,712.06 | -5,979.03 |
| VAT liabilities | -29,313.31 | -20,773.57 |
| **Other liabilities total** | **-141,269.67** | **-117,542.72** |
| **Accruals** | | |
| Payroll liabilities | -1,222,739.26 | -1,179,836.98 |
| Other accruals | -2,225,700.44 | -1,100,580.59 |
| **Accruals total** | **-3,448,439.70** | **-2,280,417.57** |
| **Current liabilities** | **-4,838,098.67** | **-4,314,739.36** |
| **LIABILITIES TOTAL** | **-25,982,695.04** | **-25,494,486.56** |
| | 0.00 | 0.00 |

## PROFIT AND LOSS ACCOUNT

| | 31 Dec 2025 | 31 Dec 2024 |
|---|---|---|
| **ACTUAL OPERATIONS** | | |
| **Revenue** | **9,281,753.51** | **8,399,040.16** |
| **Expenditure** | | |
| Operating expenses and grants | -11,778,421.43 | -10,676,429.94 |
| Personnel expenses | -7,242,083.20 | -7,147,634.04 |
| Depreciation | -336,179.24 | -379,869.26 |
| Other expenses | -5,438,063.22 | -5,448,923.54 |
| **Expenses total** | **-24,794,747.09** | **-23,652,856.78** |
| **Surplus/deficit, actual operations** | **-15,512,993.58** | **-15,253,816.62** |
| **FUNDRAISING** | | |
| Revenue | 16,549,304.27 | 16,317,317.86 |
| Expenditure | -1,646,714.04 | -1,414,112.10 |
| **Surplus/deficit, fundraising** | 14,902,590.23 | 14,903,205.76 |
| **Surplus/deficit** | **-610,403.35** | **-350,610.86** |
| **INVESTMENTS AND FINANCING ACTIVITIES** | | |
| Revenue | 1,927,018.12 | 2,161,629.11 |
| **Revenue total** | **1,927,018.12** | **2,161,629.11** |
| Expenditure | -401,393.29 | -329,226.73 |
| Investment impairment | -889 827.84 | -339,455.52 |
| Return on investments | 339,455.52 | 304,048.18 |
| **Expenditure total** | **-951,765.61** | **-364,634.07** |
| **Surplus/deficit, investment and financing activities** | **975,252.51** | **1,796,995.04** |
| **Surplus/deficit** | **364,849.16** | **1,446,384.18** |
| Transfers to self-financing funds | 7,416.56 | -711.72 |
| **Results for the financial year** | **372,265.71** | **1,445,672.46** |
| Transfers to restricted funds | 446,205.07 | -402,239.79 |
| **Surplus/deficit for the financial year** | **818,470.79** | **1,043,432.67** |

# Notes concerning the presentation of the financial statements

The 2023 change negotiations are only reflected in the 2025 result to a minor extent. The four-year programme period of the Ministry of Foreign Affairs of Finland ended at the end of 2025, and information regarding new funding was received in December 2025.

Bequests have been recognised once the will has been granted legal force and undisputed ownership has been proven.

Budget grants from parishes have been entered as revenue for the year in which they were awarded. Other income from supporters has been recognised on cash basis, except for funds specifically allocated to the accounting year and paid by 31 January 2026.

Donations recorded as fixed and investment assets have been recognised at reasonable fair value.

The use of the Ministry for Foreign Affairs' development cooperation grants have been adjusted to be performance based, and any unused share has been recognised as an advance in liabilities on the balance sheet. Correspondingly, the unused share of grants sent to the work areas has been recognised as an advance in receivables.

Shares in non-current assets and fund shares have been recognised at their acquisition cost or market value, whichever is lower.

Due to the poor market situation of investments on the balance sheet date in 2024, an unrealised investment impairment of EUR 339,000 was recognised in the profit and loss account. Following the same principles, reversal of impairment of EUR 339,000 was recorded in the financial statements for 2025.

Due to the poor market situation of investments on the balance sheet date in 2025, an unrealised investment impairment of EUR 349,000, a write-off of €91,000 on Valoa Impact Oy's shares, an impairment loss of €260,000 on a small-scale industrial building in Pitäjänmäki and an impairment loss of €200,000 on a property in Päiväkumpu were recorded in the profit and loss account.

The business share is included in actual operations in the official profit and loss account. A separate profit and loss account for the business operations is included in the notes.

Felm owns a few properties abroad,
which are monitored separately and whose balance sheet value is zero, except for the Felm Centre in Jerusalem.

**PROPERTIES**

| COUNTRY | CITY | PROPERTY |
|---|---|---|
| ANGOLA | Shangalala | A sauna with a guest room, built in 2001 |
| ISRAEL | Jerusalem | Upper and lower building (Felm Centre)<br>Activity centre + flats |

# Notes concerning the presentation of the financial statements

### Profit and loss account for business operations

| €1,000 | 2025 | 2024 |
|---|---|---|
| **Revenue** | 357 | 374 |
| **Expenditure** | 540 | 529 |
| Personnel expenses | 156 | 111 |
| Depreciation | 69 | 79 |
| Other expenses | 315 | 339 |
| **Result for the financial year** | -183 | -155 |

### Depreciation periods of non-current assets

The book values of non-current assets are based on the acquisition costs of the commodities less depreciation according to plan. Depreciation according to plan is calculated as straight-line depreciation of intangible assets and reducing-balance depreciation of tangible assets based on their economic life. Depreciation is recognised since the month in which the asset was commissioned.

Commodities with an economic life of less than three years and up to EUR 5,000 in value are recognised as expenses for the financial year in their entirety.

| Commodity | Estimated economic life | Depreciation % and method |
|---|---|---|
| Intangible rights | 5 years | straight-line depreciation over five years |
| Operating premises | | 4% reducing-balance depreciation |
| Church property | | 4% reducing-balance depreciation |
| Education centre property | | 4% reducing-balance depreciation |
| Machinery, equipment and furniture | 3–5 years | straight-line depreciation over three to five years |
| Properties overseas (Jerusalem) | | 4% reducing-balance depreciation |

## Notes to the balance sheet

### Changes in non-current assets

| €1,000 | Book value 1 Jan 2025 | Increase | Decrease | Acquisition cost 31 Dec 2025 | Depreciation | Book value 31 Dec 2025 |
|---|---|---|---|---|---|---|
| Intangible assets | 109 | 69 | 0 | 178 | 62 | 116 |
| Church property | 602 | 21 | 0 | 623 | 25 | 598 |
| Education centre property | 2,766 | 0 | 204 | 2,562 | 111 | 2,451 |
| Properties in Jerusalem | 3,074 | 22 | 0 | 3,096 | 123 | 2,973 |
| Properties to be realised | 14 | 0 | 0 | 14 | 0 | 14 |
| Investment properties | 1,074 | 0 | 139 | 935 | 0 | 935 |
| Machinery, equipment, furniture | 23 | 19 | 0 | 42 | 16 | 26 |
| Shares in fixed assets | 846 | 2 | 341 | 507 | 0 | 507 |
| Shares in apartments | 1,670 | 35 | 0 | 1,705 | 0 | 1,705 |
| Other shares and participations | 13,051 | 8,582 | 7,627 | 14,007 | 0 | 14,007 |
| Aurator securities | 78 | 2 | 10 | 70 | 0 | 70 |
| Total | 23,307 | 8,752 | 8,321 | 23,739 | 337 | 23,402 |

### Accrued income breakdown

| €1,000 | 2025 | 2024 |
|---|---|---|
| Recognition of payments from supporters | 1,106 | 983 |
| Advances from Ministry for Foreign Affairs | 62 | 324 |
| Advances | 0 | 4 |
| Other accrued income | 489 | 375 |
| TOTAL | 1,657 | 1,686 |

| Fund | Fund purpose |
|---|---|
| **Restricted funds** | |
| Eeva and Tahvo Tukia Memorial Fund | The purpose of the fund is to support the operation of Päiväkumpu. The capital is reserved and the returns are used annually. |
| Margareta and Arvi H. Saarisuu Fund | The purpose of the fund is to support work carried out for the benefit of Finnic peoples or missionary work in Pakistan and Nepal. The capital is reserved and the returns are used annually. |
| Hanna Kujala Fund | The purpose of the fund is to support Felm's work in Israel. The capital is reserved and the return is used annually. |
| Väinö Launis Fund | The purpose of the fund is to alleviate hunger in Ethiopia. The capital is reserved and the return is used annually. |
| Maja Haikola Memorial Fund | The purpose of the fund is to support youth and school work of the Namibian Church. Can be spent annually on uses indicated by the beneficiary. |
| Raija Salmi Memorial Fund | The purpose of the fund is to support the church's girl guide work in Northern Namibia. The capital and returns can be used as stated in an annual budget. |
| Elvi Fund | The purpose of the fund is to support the printing of Bibles in new languages. The capital is reserved and the return is used annually. |
| Kaskinen-Simojoki Fund | The purpose of the fund is to support missionary work and the work of new composers and lyricists promoting the church's community singing tradition. Interest income and up to 30% of the capital can be used annually. |
| Kangaslampi Fund | The purpose of the fund is to preserve the Kangaslampi property in Ranua, including the buildings, movables and accessories in original condition as far as possible. The capital and returns can be used, and 25% of forestry income received from the property is added to the fund annually. |
| Children's Bank Fund | The purpose of the fund is to support work on improving children's well-being. The funds may be used either in connection with the budgeting process or by separate decisions. |
| Emergency Fund | The purpose of the fund is to support partners struck by disasters. Used for disaster relief by separate decisions. |
| Fund for work in Pakistan | The purpose of the fund is to support the work of Tank hospital. The funds are used as part of the normal financial planning process. |
| Climate Fund | The purpose of the fund is to offset greenhouse gas emissions from air travel. |
| Combined donation fund | The purpose of the fund is to support Felm's work. The capital is reserved and the return is used annually. |
| Agapisti Foundation Fund | The use of the fund is based on a cooperation agreement. The purpose of the fund is to pursue the rights of persons with disabilities. |
| **Non-restricted funds** | |
| Research Fund | The purpose of the fund is to promote scientific research relevant to Felm's work. |
| **Self-financed fund** | |
| Women's Future Fund | The purpose of the fund is to improve the living conditions of girls and women in developing countries, primarily by means of education and health care. |

## Funds and changes in equity

| €1,000 | Capital 1 Jan 2025 | Increase | Decrease | Capital 31 Dec 2025 |
|---|---|---|---|---|
| Working capital | 3,000 | 0 | 0 | 3,000 |

| €1.000 | Capital 1 Jan 2025 | Increase | Change in value | Interest | Dividend income | Gains from sales of investments | Losses from sales of investments | Capital 31 Dec |
|---|---|---|---|---|---|---|---|---|
| **Self-financed funds** | | | | | | | | |
| Women's Future Fund | 78 | -10 | 6 | | -1 | -9 | 6 | 70 |

| 1,000 | Capital 1 Jan 2025 | Donation received | Interest income | Admin expenses | Use of the fund | Capital 31 Dec |
|---|---|---|---|---|---|---|
| **Restricted funds** | | | | | | |
| Eeva and Tahvo Tukia Memorial Fund | 8 | | 1 | | 1 | 8 |
| Margareta and Arvi H. Saarisuu Fund | 13 | | 1 | | 1 | 13 |
| Hanna Kujala Fund | 34 | | 2 | | 2 | 34 |
| Väinö Launis Fund | 52 | | 3 | | 3 | 52 |
| Maja Haikola Memorial Fund | 27 | | 2 | | 2 | 27 |
| Raija Salmi Memorial Fund | 302 | | 19 | | 12 | 309 |
| Elvi Fund | 92 | | 6 | | 0 | 98 |
| Kaskinen-Simojoki Fund | 116 | | 8 | | 7 | 117 |
| Kangaslampi Fund | 71 | | 5 | | 1 | 75 |
| Children's Bank Fund | 659 | 784 | | 188 | 1,255 | 0 |
| Emergency Fund | 575 | 705 | | 71 | 732 | 477 |
| Fund for work in Pakistan | 53 | | | | 53 | 0 |
| Climate Fund | 10 | | | | | 10 |
| Agapisti Foundation Fund | 590 | 392 | 20 | 5 | 52 | 945 |
| Combined donation fund | 212 | | 13 | | 13 | 212 |
| TOTAL | 2,815 | 1,881 | 80 | 264 | 2,134 | 2,377 |

| €1.000 | Capital 1 Dec 2025 | Donation received | Interest income | Addition to fund | Use of fund | Capital 31 Dec 2025 |
|---|---|---|---|---|---|---|
| **Non-restricted funds** | | | | | | |
| Research Fund | 290 | | 6 | | 16 | 280 |

| Equity | 2025 | 2024 |
|---|---|---|
| Surplus/deficit for previous financial years 1 Jan 2025 | 14,222 | 13,179 |
| Surplus for the financial year | 824 | 1,043 |
| Equity 31 Dec 2025 | 20,770 | 20,405 |

## Notes concerning the presentation of the financial statements

**Securities and contingent liabilities**
Liabilities secured by mortgages on property and shares.

| €1,000 | 2025 | 2024 |
|---|---|---|
| loans from credit institutions | 775 | 1,175 |
| Credit limit | 4,000 | 4,000 |
| Loan due 15 Nov 2027 | | |
| | | |
| securities for fund investments* | 4,972 | 5,056 |
| book value of pledged housing shares | 1,048 | 1,297 |
| Securities provided TOTAL | 6,020 | 6,353 |

*Securities comprise the following custodial accounts for securities: eQ Yhteiskuntakiinteistöt 1 T, share certificate 53, eQ Liikekiinteistöt 1 T, share certificate 36, eQ Yhteiskuntakiinteistöt 1 T, share certificate 67, UB Metsä sijoitusrahasto, share certificate 57, UB Suomi Kiinteistöt I-sarja and UB Pohjoismaiset Liikekiinteistöt I

The capital of interest rate swap contracts is €375,000 and the market value on 31 December 2025 €3,999.

**Payables from leasing contracts**

| €1,000 | 2025 | 2024 |
|---|---|---|
| due in the following financial year | 45 | 48 |
| due later | 35 | 54 |
| Other liabilities TOTAL | 80 | 102 |

As a package travel operator, Felm has provided the Finnish Competition and Consumer Authority with a deposit of €40,000 as a guarantee.

Felm rents 1,404 m$^2$ of office space and three parking spaces at Maistraatinportti 2 in Pasila under a ten-year lease signed on 10 August 2017.

A bank guarantee of €97,731 has been given to the lessor for the office space.

The rent liabilities for these premises are

| €1,000 | 2025 | 2024 |
|---|---|---|
| due in the following financial year | 480 | 478 |
| due later | 710 | 1,185 |
| TOTAL | 1,190 | 1,663 |

Felm has an obligation to adjust VAT deductions made for the Education Centre’s real estate investments if the taxable use of the property changes during the review period.
The last review year is 2034. The maximum amount of the liability is €100,000.

**Audit expenses**

| €1.000 | 2025 | 2024 |
|---|---|---|
| audit | 45 | 34 |

| **Personnel** | 2025 | 2024 |
|---|---|---|
| Number of employees | 133 | 141 |

| €1,000 | 2025 | 2024 |
|---|---|---|
| Salaries and fees for the financial year | 6,498 | 6,473 |
| Social insurance contributions | 1,333 | 1,340 |
| Other personnel expenses | 1,683 | 1,622 |
| Personnel expenses total | 9,514 | 9,435 |

**Governing bodies**

The members of the Board of Directors have been paid compensation for loss of earnings amounting to €1,039.77 and fees amounting to €1,755.00.
No cash loans have been granted to members of the Board of Directors, nor have any securities or pension commitments been given on their behalf.

# General journal and ledger entries and receipt types as well as their storage methods

**Financial statements**

- Financial statements and balance sheet specifications

**Lists of accounts and balances**

- Account-specific profit and loss account and balance sheet
- List of accounts

**General journal and ledger entries**

- General ledger
- Accounts receivable
  - Donation ledger
  - Journal ledger
  - Ledger/other invoicing
- Purchase invoices
- Travel and expense claims
- Payroll accounts
- Fixed assets
- Cash book
  - Bazaar
  - Päiväkumpu
- Inventory accounting publishers
- Inventory accounting Päiväkumpu

**Vouchers**

| | | |
|---|---|---|
| TE | Travel expense statements and expense statements | 1-50 |
| OL | Purchase invoices | 1-3727 |
| OS | Payments of purchase invoices | 1-3706 |
| TO | Bank statements | 1-1557 |
| MU01 | Memo vouchers January | 1-74 |
| MU02 | Memo vouchers February | 1-25 |
| MU03 | Memo vouchers March | 1-26 |
| MU04 | Memo vouchers April | 1-29 |
| MU05 | Memo vouchers May | 1-37 |
| MU06 | Memo vouchers June | 1-30 |
| MU07 | Memo vouchers July | 1-25 |
| MU08 | Memo vouchers August | 1-36 |
| MU09 | Memo vouchers September | 1-39 |
| MU10 | Memo vouchers October | 1-40 |
| MU11 | Memo vouchers November | 1-40 |
| MU12 | Memo vouchers December | 1-175 |
| SJ | Investments | 1-46 |
| PK | Payroll accounts | 1-27 |
| SL | Internal invoices | 1-61 |
| ST01 | Internal vouchers January | 1-5 |
| ST02 | Internal vouchers February | 1-5 |
| ST03 | Internal vouchers March | 1-5 |
| ST04 | Internal vouchers April | 1-5 |
| ST05 | Internal vouchers May | 1-5 |
| ST06 | Internal vouchers June | 1-7 |
| ST07 | Internal vouchers July | 1-6 |
| ST08 | Internal vouchers August | 1-5 |
| ST09 | Internal vouchers September | 1-5 |
| ST10 | Internal vouchers October | 1-5 |
| ST11 | Internal vouchers November | 1-5 |
| ST12 | Internal vouchers December | 1-7 |
| ML | Sales invoices | 1-1202 |
| MS | Sales invoice payments | 1-1188 |
| HL | Credit note allocation | 1-31 |
| AK | Automated record | 1-228 |
| JA | Accrual voucher | 1-12 |

# Storage of documents

All documents are stored in digital format, with backups on a virtual disk.

The financial statements and the lists of accounts and balances are available on a shared disk drive, which is backed up once every 24 hours and retained for 30 days. The documents are also saved in M-Files.

Memo vouchers are saved in digital format on the shared disk drive.

The accounting documents and vouchers are filed in Visma Wintime accounting software, purchase invoice processing system Visma Approval, and travel and expense claim software Visma M2.

The software resides in a cloud service, and the software supplier (Visma) produces daily backup copies of the documents. In addition, the general ledgers, journals, profit and loss account and balance sheet are archived in Visma's archive program. Purchase and sales invoices are archived once the financial statements have been produced.

Bank statements are archived in Visma's archive program.

Felm
Business ID 0116962-5

**Signatures to the financial statements and annual report/**
***Undertecknande av bokslutet och verksamhetsberättelsen***

Helsinki, April 14 2026/ *Helsingfors den 14 april 2026*

| | |
|---|---|
| ___________________________<br>Parkkinen Mari<br>Chair/*ordförande* | ___________________________<br>Aspila Pentti |
| ___________________________<br>Kairavuo Leena | ___________________________<br>Kummel-Myrskog Pia |
| ___________________________<br>Lainela Ami | ___________________________<br>Murtojärvi Aleksi |
| ___________________________<br>Nivala Juha | ___________________________<br>Pohjolainen Terttu |
| ___________________________<br>Untamala Sampo | ___________________________<br>Vanhanen Sakari |
| ___________________________<br>Vähäkangas Mika | ___________________________<br>Wiberg Tiina |

___________________________
Parhiala Pauliina
Executive Director/*verksamhetsledare*

**Auditor's report/*Revisorernas underteckning***

On this date, we have issued an auditor's report on the audit performed. /
*Över slutförd revision har vi i dag avgivit berättelse.*

Helsinki, on the date of the electronic signature/
*I Helsingfors, datum för eletronisk underskrift*

KPMG Oy Ab Authorised Public Accountants

| | |
|---|---|
| ___________________________<br>Aromäki Kirsi<br>KHT/CGR | ___________________________<br>Salojuuri Jyri<br>KHT/CGR |

**KPMG Oy Ab**
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FINLAND

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*This document is an English translation of the Finnish auditor's report. Only the Finnish version of the report is legally binding.*

# Auditor's Report

## To the members of Suomen Lähetysseura ry

### Opinion

We have audited the financial statements of Suomen Lähetysseura ry (business identity code 0116962-5) for the year ended 31 December 2025. The financial statements comprise the balance sheet, income statement and notes.

In our opinion, the financial statements give a true and fair view of the association's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

### Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the association in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the association or cease operations, or there is no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

— Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## *Other Reporting Requirements*

### Other Information

The Board of Directors is responsible for the other information. The other information comprises the report of the Board of Directors. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Our responsibility also includes considering whether the report of the Board of Directors has been prepared in compliance with the applicable provisions.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in compliance with the applicable provisions.

If, based on the work we have performed, we conclude that there is a material misstatement of the report of the Board of Directors, we are required to report that fact. We have nothing to report in this regard.

Helsinki, 20 May 2026

KPMG OY AB

Audit Firm

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| Kirsi Aromäki<br>*Authorised Public Accountant, KHT* | Jyri Salojuuri<br>*Authorised Public Accountant, KHT* |

# Annual report 2025

## Changes in the operating environment

The year 2025 was marked by an international operating environment with multiple crises where protracted conflicts, growing humanitarian needs and tensions within the international cooperation system directly affected organisations' ability to operate, partners' functional capacity and the increasing need for aid. The effects of the war in the Middle East were particularly clearly evident in the programme activities, and overall uncertainty regarding the realisation of the work increased.

The escalation of conflicts also had an effect on the practical conditions under which partners and local communities were operating. International law, the multilateral system, and human rights and gender equality policies were called into question, and the significance of international commitments diminished.

In the domestic operating environment, uncertainty was increased by the polarised social climate, cuts to development funding and the risk that these cuts would continue. The unpredictability of funding decisions and the reduction in development funding hampered long-term planning of international work. Parishes' commitment to international cooperation remained strong, and in international ecumenical cooperation, parties sought shared practical solutions more than ever before in the difficult situation.

Throughout 2025, Felm sought to improve the impact of its work and strengthen the commitment of parishes, partners and supporters. The aim was to implement the new strategy, adopted in 2024, continue to stabilise the finances, to improve the well-being of personnel and to lay the foundation for expanding funding.

## Impact on operations and key developments

The final year of the four-year programme period for international work went according to plan. Project cooperation was concluded in accordance with the exit plan in Pakistan, Syria, Mauritania, Oman and some of the programmes in Senegal and the Chinese region. Through partner cooperation, the promotion of strategic programme cooperation was continued in 22 countries with 74 partners. The four-year development cooperation programme period was completed with good results.

Meanwhile, the Felm International Advisory Board (FIAB), launched to strengthen the strategic participation of international partners, laid the groundwork for a new network-based partnership model, the Felm Fellowship network, which offers opportunities for shared learning and advocacy not only to partners who have exited project work but also to other international partners. Various meetings to enable peer learning were organised in the different regions. A large-scale partner meeting took place in Africa. In Asia, cooperation between partners was promoted in the field of outreach work and disability inclusion. Regional cooperation in southern Africa in the field of gender equality and the prevention of violence was supported. A series of management dialogues was started in Tanzania. Cooperation negotiations were arranged with European ACT alliance partners and, in particular, the Church of Sweden, for example.

Preparations for the new four-year international programme period (2026–2029) also started in 2025. Partnerships in the international programme and the programme countries as a whole were also assessed as part of the preparation of the programme.  A number of policies guiding the activities were prepared to support the programme work, and the quality of the work was improved by joining the CHS Alliance to launch a self-assessment related to the Core Humanitarian Standard.

The need for humanitarian aid increased in 2025, which was reflected in Felm's increased humanitarian activities. The position of humanitarian work was also strengthened administratively. The annual general meeting amended the rules by more clearly recording humanitarian projects as part of the organisation's duties. Humanitarian work was carried out with partners in areas such as Gaza, the West Bank and East Jerusalem, Angola, Bolivia, Cambodia, Pakistan, Myanmar and Ukraine. Overall, the peace work environments continued to be difficult, and a devastating earthquake in Myanmar made the operations more difficult, but peace work could still be continued. Cooperation with churches and ecumenical organisations continued to deepen in Colombia and Zimbabwe. The advocacy work continued with the themes of climate justice, human rights and local leadership. The annual general meeting encouraged Felm to active networking in order to enable advocacy work and ensure the continuity of the programme activities.

In domestic work, a transition to a new thematic cooperation model with parishes was planned in 2025. The service offering of the thematic model was developed together with parishes. People were encouraged to engage in missionary work in many different ways. A total of 312 parish visits were made in 2025. The Lähde liikkeelle missionary work training courses continued. Finnish-speaking mission festivals were organised in Loimaa and Joensuu, and a Swedish-speaking festival in Helsinki. A new volunteer network was launched.

Felm’s youth work continued through work done at confirmation classes and within the #sovinto network, for example. Felm continued to publish its *Lähetyssanomat* magazine, but decided in late 2025 that it would become a customer magazine starting in 2027. Private fundraising efforts actively sought new donors, and the Greatest Christmas Carols events generated a record-breaking total of nearly €1.1 million. Felm’s stance on cuts to development cooperation and its actions during crises received particular attention in the media.

The security situation deteriorated in Nepal and Tanzania during elections; the effects of the earthquake were felt not only in Myanmar but also in Thailand; a border war broke out between Thailand and Cambodia; and the security situation remained tense in Ethiopia, Gaza and the West Bank. In conflict zones, the deteriorating security situation increased the risks to the activities, including those related to the safety of the staff and partners, mobility, logistics and the continuity of the programmes. The goals were achieved despite the deteriorating security situation and the increased financial difficulties faced by partners.

Cuts to development funding posed a major risk because they reduced the predictability of funding. The cuts implemented by the Finnish Government had a particularly severe effect on the actual development cooperation, even though programme support for non-governmental organisations was protected. The funding decisions made by the Ministry for Foreign Affairs of Finland regarding Felm in late 2025 were relatively positive, but the ongoing tight central government finances remain a concern.

Following the change negotiations in late 2023, the implementation of the operational changes progressed and personnel turnover stabilised. Special attention was paid to well-being at work and the smooth functioning of the organisation through measures such as regional employee days for employees abroad, management audits and development, as well as an organisational assessment and follow-up actions based on the assessment. Employee rewards were developed and improved. Minor modifications to the organisational structure were made: communications became part of the domestic unit, and advocacy part of the management function. The last measures agreed during the 2023 change negotiations were implemented in 2025, but their impact was minimal. The number of employees at the end of the year was 133 (141).

Felm showed a surplus of €0.8 million (€1.0 million). Fundraising totalled €14.9 million (€14.9 million), i.e. the same as in the previous year. The result of investments and financial activities was €1 million (€1.8 million), including write-offs totalling €0.6 million on properties and a share in a fixed asset (Valoa Impact Oy). Total revenue was €28.1 million (€27.2 million) and expenditure €27.3 million (€26.1 million). Felm’s financial standing remains good, and no revenue from financial investments was used for cash flow in 2025.

Operational vulnerabilities were reduced by continuing to develop security measures, by increasing security services to ensure safety of the personnel and by forming new partnerships in support services (e.g., HR services, ICT). Internal practices related to matters such as procurement were developed.

## Outlook for 2026

The activities in 2026 will be influenced in particular by the launch of the new four-year international programme period and the associated partnerships, as well as the introduction of the thematic service model for parishes. Discussions with partners regarding cooperation will continue internationally in the ACT alliance, for example, and in Finland with different actors.

Due to Finland’s weakened economic situation, funding for development cooperation and peace work involves special risks despite the approved programme period. Furthermore, the potential impacts of the investigation into Felm’s past on funding are difficult to assess. Otherwise, the financial situation is stable and predictable.

Strategic development projects aimed at developing partnerships, fundraising and knowledge-based management will continue in 2026. Numerous other development projects will also be realised in areas such as the quality and adaptability of international activities, the website, the brand and the use of properties.