



# Combined financial statements as of December 31, 2017

## **AUDITOR'S REPORT**

Aid to the Church in Need  
(Foundation under Canon Law)  
Königstein im Taunus

# Aid to the Church in Need (Foundation under Canon Law), Königstein im Taunus

## Combined Balance Sheet as of December 31, 2017

### Assets

	Dec. 31, 2017	Dec. 31, 2016
	EUR	EUR
<b>A. Fixed assets</b>		
I. Intangible assets	894,299	978,476
II. Tangible assets	17,006,818	14,124,870
III. Financial assets	10,246,927	13,945,050
IV. Conditional assets	4,203,906	4,233,010
	<b>32,351,950</b>	<b>33,281,405</b>
<b>B. Other long-term assets</b>	<b>9,439,024</b>	<b>8,923,320</b>
<b>C. Current assets</b>		
I. Accounts receivable and sundry assets	9,398,321	10,321,185
II. Liquid assets	30,809,356	28,890,869
	<b>40,207,677</b>	<b>39,212,054</b>
	<b>81,998,651</b>	<b>81,416,778</b>

## Liabilities and Reserves

	Dec. 31, 2017	Dec. 31, 2016
	EUR	EUR
<b>A. Reserves</b>		
1. Fixed capital	6,062,631	5,873,353
2. Addition to capital	603,741	206,405
3. Reserves	17,766,363	18,644,115
4. Results carried forward	30,715,388	23,779,692
5. Foreign currency adjustments capital/reserves	1,649,863	-267,196
6. Surplus for the year	1,887,745	7,838,045
7. Foreign currency translation adjustment	-1,639,523	119,832
	<b>57,046,208</b>	<b>56,194,245</b>
<b>B. Accruals</b>		
1. Pension accruals	11,601,885	10,416,999
2. Sundry accruals	2,562,601	1,583,972
	<b>14,164,486</b>	<b>12,000,971</b>
<b>C. Liabilities</b>		
1. Bank liabilities	796	10,604
2. Project creditors	3,724,789	6,628,307
3. Sundry liabilities incl. conditional liabilities	7,062,372	6,582,651
	<b>10,787,957</b>	<b>13,221,562</b>
	<b>81,998,651</b>	<b>81,416,778</b>



# Aid to the Church in Need (Foundation under Canon Law), Königstein im Taunus

## Combined Income Statement for the period from January 1 to December 31, 2017

	2017	2016
	EUR	EUR
1. Donations	123,766,951	128,231,960
2. Sundry income	290,463	321,874
<b>Total income</b>	<b>124,057,414</b>	<b>128,553,835</b>
3. Expenses made to fulfill mission given by the church		
a) Project work	-84,634,167	-83,723,563
b) Information, media and pastoral activities	-16,096,482	-16,646,664
<b>Total project expenses</b>	<b>-100,730,649</b>	<b>-100,370,227</b>
4. Supporting services		
a) Promotion and fundraising costs	-12,847,144	-12,778,363
b) Administrative costs	-8,537,798	-8,284,572
<b>Total supporting services</b>	<b>-21,384,942</b>	<b>-21,062,935</b>
5. Financial result		
a) Interest and similar income	830,826	930,365
b) Interest and similar expenses	-884,904	-212,993
<b>Financial result (net)</b>	<b>-54,078</b>	<b>717,371</b>
<b>6. Surplus for the year</b>	<b>1,887,745</b>	<b>7,838,045</b>



# Aid to the Church in Need (Foundation under Canon Law) Königstein im Taunus

## Notes to the combined Financial Statements for the year ended December 31, 2017

### **The Foundation**

On November 4, 2011 the Foundation "Aid to the Church in Need" has been established by Pope Benedict XVI by Chirograph. By means of this document the new Statutes of ACN acquire legal force and at the same time the then Prefect of the Congregation for the Clergy, His Eminence Mauro Cardinal Piacenza, is appointed as the first President of the Foundation.

The Foundation has an International Office located in Königstein and National Offices in the following countries: Australia, Austria, Belgium, Brazil, Canada, Chile, Colombia, France, Germany, Ireland, Italy, Malta, The Netherlands, Mexico, The Philippines, Poland, Portugal, Slovakia, Spain, South Korea, Switzerland, United Kingdom and USA. The National Offices carry out their activities by separate legal entities under local civil law of the respective countries. The Dutch and Portuguese Offices are established as foundations. The United Kingdom office changed its legal form in 2003 to a company limited by guarantee. All other National Offices are individually registered as Foundations in their own countries.

Furthermore, trading companies were set up in United Kingdom in 1997, in Chile in October 2004 and in Poland in March 2008. Except in Chile, where the National Office owns 99% of the capital, the trading companies are wholly owned by the respective National Office. In 2003 the Pater Werenfried van Straaten Foundation, a fiduciary foundation, was set-up in Germany and Fondation Père Werenfried, a fiduciary foundation, was set up in France.

Beyond the National Offices ACN has full ownership via ACN International Aid to the Church in Need gGmbH, Königstein, Germany of the following, fully incorporated entities: CRTN gemeinnützige GmbH (CRTN) and YOUCAT Foundation gemeinnützige GmbH (YOUCAT).

CRTN and YOUCAT are included in the financial statements even though they do not form part of the Foundation under Canon Law. CRTN is funded principally by ACN International Aid to the Church in Need gGmbH while YOUCAT makes its own income.

## **Character and Principles of preparation of the combined Financial Statements**

### **General**

The combined financial statements serve the purpose to inform the Holy See both about the net asset position and the collected donations following the obligations of the Statutes and of Canon Law. They comprise the world wide acting charity as a whole as described above.

In view of the universal character of the accounting entity, their combined financial statements are prepared by combining the financial statements of the legal entities included. The National Offices with subsidiaries (except Belgium and Poland) are included on the basis of consolidated financial statements for the activities in the respective country. The National Office in Belgium and Poland and its subsidiary are included on the basis of their single financial statements, whereas the value of the investment in the balance sheet of the National Office (Poland) is set up against the reserves of the trading company.

As Aid to the Church in Need does not hold any financial interests in the International and National Offices, a capital consolidation for the Foundation as a whole is not required. However, several National Offices are holding financial interests. For consolidation purposes a capital consolidation (at cost) has been performed.

The following eliminations are made for transactions between the National Offices:

- Debts and receivables are eliminated.
- Intercompany transfers and project payments of National Offices are eliminated against income from donations in the International Office.
- Payments of rent and usage fees between the German National Office and the Pater Werenfried van Straaten Stiftung are eliminated.

### **Balance Sheet Date**

The balance sheet date of all the entities is December 31.

### **Uniform Principles of Accounting**

Aid to the Church in Need, Königstein im Taunus, is not subject to the general accounting and valuation principles as set out in German commercial law.

The financial statements of the separate entities are prepared in compliance with guidelines for financial reporting issued by the International Office which is responsible



for the preparation of the combined financial statements of the Foundation and which are described below. The guidelines contain detailed instructions, in particular with reference to uniform disclosure and valuation policies. A reporting package forms part of these guidelines. It is composed of forms relating both to balance sheet and the income statement, designed to gather all necessary financial information and disclosure details relevant for the financial statements of Aid to the Church in Need.

### **Presentation of the Income Statement**

Income statements of separate entities are presented in a total expenditure format. For the combined financial statements of the Universal Foundation expenditures are presented in cost of sales format. All expenses are allocated according to their functional nature. As opposed to the previous year, costs of Aid Grant (2017: EUR 81.819k; 2016: EUR 81.059k) and Project Management (2017: EUR 2.816k; 2016: EUR 2.664k) are jointly displayed as Project Work in one line in 2017. Each expense is classified according to the purpose of the activity and allocated to one of the four types of functions:

1. Information, media and pastoral activities
2. Promotion and fundraising costs
3. Project work
4. Administrative costs

**Information, media and pastoral activities** is the core mission of the organisation as set out in the statutes.

**Promotion and fundraising costs** are indispensable costs incurred to raise money to achieve the main mission through donor acquisition and direct appeals.

**Project work** includes the support of project partners during the project phase.

**Administrative costs** are incurred for administrative staff, for the Foundation's management and corporate functions as well as to cover audit fees and legal expenses.

The reconciliation from total expenditure format to cost of sales format is presented in Appendix 1 to the Notes.

### **Currency Translation**

The **balance sheets** of National Offices who are not members of the European Monetary Union were translated using the year-end rates 2017. The translation

differences arising from changes in exchange rates since the Euro opening balances January 1, 2017, have been taken to the reserves and are disclosed separately as foreign currency translation differences.

The **income statements** of National Offices who are not members of the European Monetary Union were translated using the average Euro exchange rates for 2017. Translation differences arising from the difference between average rate and the rate at the balance sheet date have been taken to the reserves and are disclosed separately as foreign currency translation differences.

## **Accounting Principles and Methods**

### **General**

The combined financial statements of the Foundation have been prepared using the following accounting and valuation methods which are laid out in the guidelines for financial reporting issued by the International Office and which are essentially identical to the regulations of German Commercial Law applicable for corporations.

### **Assets**

Assets which are intended to permanently serve the objective of the Foundation are shown under **fixed assets**. All other assets are shown under **current assets**.

This principle is applicable irrespective of whether the assets have or have not been acquired for a monetary consideration. Donations in kind received by the Foundation and which are intended to be sold or supplied directly to beneficiaries are accordingly presented under current assets. On the other hand, if the donations in kind which are received are to be used by the Foundation itself, they are presented under fixed assets.

### **Intangible assets**

Intangible assets which are acquired for a monetary consideration are measured with their costs of purchase and amortized over their useful life (in general three years) using the straight line method. In the year of acquisition, amortisation is calculated on a pro-rata (monthly) basis.

### **Tangible assets**

Property, plant and equipment which is acquired for a monetary consideration or which is created by the Foundation itself are measured with their acquisition costs. If they are subject to depreciation, they are depreciated over their normal useful lives (in general three to four years) using the straight line method. If the market value on the reporting

date is lower than the previous carrying amount, impairment is recognised in the amount of the difference. In the year of acquisition, depreciation is calculated on a pro-rata (monthly) basis.

### **Financial assets**

**Security investments** are shown at the lower of cost of purchase or market value. If the market value on the reporting date is lower than the previous carrying amount, impairment is recognised in the amount of the difference. If the market value on the reporting date is higher than the previously recognised carrying amount, it is necessary for a write up to be recognised in relation to the difference, but only up to the original (historical) costs of purchase (cost of purchase principle).

The costs of purchase of **fixed-income securities** consist of the issue or purchase price of the securities plus any ancillary costs. Accrued interest which is paid does not constitute the cost of purchase of the security; instead, such interest constitutes an asset. If the interest payment date differs from the reporting date, the pro-rata accrued interest is included in the interest income of the financial year.

**Shares not acquired for a monetary consideration** are recognised with their market value applicable at the time at which they are acquired. **Fixed-income securities** which are not acquired for a monetary consideration and which are to be held until maturity are shown with their nominal value. The general rules are applicable with regard to subsequent measurement.

### **Conditional Assets**

The Foundation occasionally receives donations from benefactors in the form of **securities which are combined with a covenant** (conditional assets) whereby the original donation or parts thereof have to be returned to the benefactors or their dependants on a regular basis or if the benefactor experiences financial problems. The Foundation is only permitted to use the income from the donation immediately for its own purposes. If the benefactor or the benefactor's dependants die, the full amount of the donation falls due to the Foundation. Such **assets which are associated with covenants** are shown in the balance sheet as a gross figure. This means that the accounts show not only the asset value of the asset but also the value of the repayment obligation.

### **Other long-term assets**

The **asset value of reinsurance** is shown with the value notified by the insurer. The asset value is adjusted annually to the value reported by the insurer.

## **Current assets**

Current assets are measured at the lower of cost of purchase or the market price on the closing date of the financial statements.

If the reasons for a previously recognised impairment are no longer applicable, the value of the assets is written up to a figure which does not exceed the original costs of purchase. It is not possible for a lower figure to be retained if the reasons for the impairment are no longer applicable.

**Receivables** are shown with their nominal value. An impairment is booked if there is doubt relating to the value of a receivable.

**Foreign currency receivables** are recognised using the FX offered rate (cost of purchase) applicable at the time at which the receivable was originally recognised. If foreign currency receivables still exist at subsequent reporting dates, they are reassessed as part of the subsequent measurement process. The strict lowest value principle is applicable for measuring foreign currency receivables on subsequent reference dates, i.e. receivables are written down to the lower fair value. Any strengthening of the Euro accordingly results in the currency receivable being written down. Short-term foreign currency receivables, i.e. such receivables with a remaining term of less than one year, are translated into Euros using the spot mid rate applicable on the closing reference date; it is explicitly possible for the costs of purchase to be exceeded. Receivables with a remaining term of more than one year are translated using the FX mid rate; the original cost of purchase shall not to be exceeded.

## **Accounts receivable and sundry asset**

The Foundation occasionally receives donations in the form of **legacies or bequests**. If the assets have not been received on the reporting date, a receivable is only recognised if there is irrevocable evidence of a corresponding legal basis (bequest, will or certificate of inheritance) and if it is reasonably certain that the assets will indeed be received.

If a National Office or trading company holds assets in the sense of **goods or products**, a physical inventory of such assets is carried out as of every reporting date.

In order not to pose a threat to the charitable status, interest is charged on **personal loans** at market interest rate levels. Such loans are capitalised with their nominal value less any repayments of principal. If there is doubt relating to the value of a loan, an individual allowance is created.

## **Accruals (provisions)**

Provisions are created for the obligations attributable to the company pension scheme, uncertain liabilities and potential losses of pending transactions. Such provisions are measured with the settlement amount.

## **Liabilities**

Commitments to provide funds to third parties are always provided on condition that the necessary liquidity is available. A liability is accordingly recognised when the funds have been approved and released for payment. Liabilities are also recognised for stipends which are the subject of a binding commitment. The liability is created in an amount equivalent to the settlement amount.

Short-term liabilities **denominated in foreign currency**, i.e. such liabilities with a remaining term of less than one year, are translated into Euros using the FX spot mid rate as of the reporting date. Medium-term and long-term liabilities **denominated in foreign currency** are recorded using the bid rate applicable at the time at which the liability originally arose. On subsequent reporting dates, such liabilities are measured using the principle of anticipated loss. If the exchange rate has increased compared with the rate applicable at the time at which the liability was originally recognised or if the exchange rate has increased compared with the rate applicable on the previous reporting date, the amount shown for the liability is increased accordingly. On the other hand, if the exchange rate declines no income is recognised.

## **Income realisation**

Donations are normally recognised as income in the year in which they are received. The income from direct donations and from transmitted donations from the National Offices is recorded as income for the year in which this was received.

Inflows from donations which are received in a bank account of the Foundation shortly after the end of a financial year are recognised as income for the previous financial year.

Bequests and legacies are recognised in the income statement at the point at which the funds are actually received, if a corresponding irrevocable legal basis exists (legacy/will or probate certificate).

If the Foundation is in possession of a will or probate certificate, if no funds have yet been received and if the value of the bequests cannot be determined with sufficient accuracy on the basis of the documents in the possession of the Foundation, the bequests are only recognised in the income statement at the time at which the funds are actually received.

The combined financial statements for the period ending December 31, 2017 contain assets totalling EUR 2,889k (previous year EUR 4,121k) on the basis of the accrual of donations and bequests detailed in this section.

## Notes to the Balance Sheet

### Fixed Assets

The development of the specific **fixed asset** accounts is presented in the analysis of movements in consolidated fixed assets (See Appendix 2 to the Notes).

### Equity participations

National Office in **Chile** owns

- 99% of the trading company: Importadora, Comercial Y Servicios Serviam Limitada, Santiago de Chile, Chile.

Shareholder's equity (capital) at Dec. 31, 2017 CLP 303,960,000 (EUR 410.8k);  
result of the financial year 2017 CLP -41,770,068 (EUR -57.0k)

- 100% of the Fundacion Ayuda a la Iglesia que Sufre, Santiago de Chile, Chile.

Shareholder's equity (capital) at Dec. 31, 2017 CLP 1,000,000 (EUR 1.4k);  
result of the financial year 2017 CLP 8,025 (EUR 11)

- 100% of the Fundacion Cultural AIS Chile, Santiago de Chile, Chile.

Shareholder's equity (capital) at Dec. 31, 2017 CLP 1,000,000 (EUR 1.4k);  
result of the financial year 2017 CLP -42,804 (EUR -58)

National Office in **Poland** owns 100% of the trading company „PKWP“ Spółka z ograniczoną odpowiedzialnością („PKWP“ Sp.z.o.o.), Warszawa, Poland.

Shareholder's equity (capital) at Dec. 31, 2017 PLZ 1,939,500 (EUR 464.3k);  
result of the financial year 2017 PLZ -193,986.81 (EUR -45.6k)

National Office in **UK** owns 100% of the trading company: ACN Trading Limited, Sutton, Surrey, UK.

Shareholder's equity (capital) at Dec. 31, 2017 GBP 100 (EUR 113);  
result of the financial year 2017 GBP 41,079 (EUR 47.0k)

International Office in **Königstein** owns 100% of CRTN gemeinnützige GmbH, Königstein

Shareholder's equity (capital) at Dec. 31, 2017: EUR 25k;  
Surplus of the financial year 2017: EUR 93.5k

International Office in **Königstein** owns 100% of YOUCAT Foundation gemeinnützige GmbH, Königstein

Shareholder's equity (capital) at Dec. 31, 2017: EUR 50k;  
result of the financial year 2017 EUR -296.8k

**Financial assets** comprise mainly those securities not intended for sale.

A reversal of previously booked impairment charges to **financial assets** was made in the current financial year for EUR 59.0k (prior year EUR 18.2k).

**Shares and marketable securities donated conditionally** amount to EUR 4,204k (prior year EUR 4,233k).

#### **Other long-term assets**

Other long-term assets mainly include the cash surrender value of the pension reinsurance contract of the International Office, CRTN and the German National Office (EUR 9,503k, prior year EUR 8,831k).

#### **Current assets**

**Accounts receivable and sundry assets** mainly comprise:

This caption includes donations/legacies to be received EUR 5,797k (mainly UK EUR 1,315k, Switzerland EUR 658k, Germany EUR 55k, and France EUR 33k); buildings and apartments to be sold (located in Spain EUR 1,503k, and Portugal EUR 220k), and stock of material EUR 749k (mainly Youcat Foundation EUR 334k, Germany EUR 201k, U.K. EUR 77k, The Netherlands EUR 57k, and Poland EUR 50k).

**Liquid assets** comprise bank deposits maintained by the National Offices and the International Office.

#### **Reserves**

The variance in the reserves comprises the current year result (EUR 1,888k), current year additions of the Pater Werenfried Foundation (EUR 604k) and the difference

arising from currency translation of the financial statements of National Offices in non-Euro countries (EUR 1,650k).

### **Long-term liabilities**

**Pension accruals** mainly relate to the International Office and the German National Office.

The pensions reserves are calculated according to a mathematical principle, based on the expected final payment figures. The figures were calculated by an insurance mathematician in accordance with the usual international procedure, the projected unit credit method.

The domestic death and invalidity probabilities are drawn from Table 2005G of Prof. Dr. Klaus Heubeck. The calculation assumes an interest accrual of 3.68% (previous year 4.01%) per annum (10-year-average), a salary trend of 2.5% per annum, a pensions trend of 1.5% per annum plus a given fluctuation probability of 0.5% up to age 44 and 0% from age 45 onwards.

The discount rate of 3.68% is calculated on a unified basis for all pensions obligations according to the average market interest rate for an assumed period of 15 years as from December 31, 2017. The interest related expenses from the pensions reserves are indicated under the item covering other interest and related expenditure. The difference between discounting the pension liability with a rate based on a 7-year-average and a 10-year-average is EUR 1,482k (EUR 1,126k).

### **Short and medium term Liabilities**

**Sundry accruals** mainly comprise payroll related accruals – provisions for outstanding vacation entitlement and for service anniversary benefits, provision for tax liabilities, for preparing and auditing the annual financial statements, for archiving costs, accrued legal and audit fees.

**Bank liabilities** represents overdraft on current bank accounts EUR 0.8k, mainly at the YOUCAT.

**Project creditors** relate to project expenses committed before December 31, 2017 for which payments have been approved and will be made after the year-end. Also included in project creditors are stipends granted for a period of several years.

**Sundry liabilities** primarily comprise payables for social security and payroll taxes and trade payables.

All liabilities mature within one year, with the exception of EUR 1,516k (prior year: EUR 1,288k) project creditors which mature between one and five years.



## Notes to the Income Statement

### Donations

The total income consists of actual donations as well as bequest.

### Sundry income

Sundry income mainly comprises the profit from stock price change of the International Office in Königstein (EUR 177k), income from the release of accruals EUR 15.1k, mainly at the International Office in Königstein EUR 13k, and CRTN EUR 1,5k) income relating to other periods EUR 26,9k as well as other non-operating income EUR 67,5k, of which EUR 48k in Belgium.

The following table sets out the volume of **donations and other income** broken down according to countries compared to previous year. These have decreased by EUR 4,495k or 3.5% compared to previous year.

<b>Country</b>	<b>2017</b>	<b>2016</b>
	<b>EUR</b>	<b>EUR</b>
Australia	3,310,226	3,587,744
Austria	2,892,292	3,063,200
Belgium including Hulp en Hoop	3,526,152	4,537,734
Brazil	4,414,719	3,647,130
Canada	1,864,544	1,989,144
Chile	1,148,667	1,155,887
Colombia	170,372	169,896
France	25,065,500	29,490,022
Germany including Foundation Fr. Werenfried *	15,584,915	12,393,616
Ireland	3,185,974	4,533,380
Italy	3,673,366	3,390,293

Malta	275,685	212,155
Mexico	259,078	266,478
Netherlands	4,769,787	3,888,878
Philippines	96,932	0
Poland	2,784,368	2,187,940
Portugal	2,838,921	3,178,816
Slovakia	81,486	0
Spain	16,571,838	13,170,152
South Korea	532,234	558,506
Switzerland/Principality Liechtenstein	7,835,157	9,142,586
UK	13,722,675	18,227,954
USA	7,848,509	6,825,530
Intern. Secretariat/CRTN/ACN Helpdesk/YOUCAT	1,604,017	2,936,794
Total income	<b>124,057,414</b>	<b>128,553,835</b>

\*) Germany and Foundation Fr. Werenfried (Germany) reduced by payments of rent and usage fees between these two entities.

**Project expenses** (Expenses made to fulfil the mission given by the church)

Project expenses include grants given, production and distribution costs of the 'Mirror' and other evangelization materials, personnel and indirect costs incurred in connection

	<b>2017</b>	<b>2016</b>
	EUR	EUR
Asia/Africa	19,196,510	20,250,326
Africa I	7,203,967	6,908,702
Eastern Europe I	7,139,152	7,427,492
Latin America II	6,684,451	6,250,663
Africa III	5,761,615	6,099,823
Latin America I	5,606,838	5,708,900
Africa II	5,575,620	7,040,280
Asia II	4,405,440	4,286,019
Asia I	4,264,275	4,411,156
Asia III	4,035,171	3,706,555
Africa IV	3,295,009	0
Eastern Europe II	3,142,925	2,820,102
Europe	2,676,763	3,005,914
Students	1,974,248	2,170,861
Eastern Europe III	856,674	972,623
Project Management	2,815,509	2,664,147
<b>Project work</b>	<b>84,634,167</b>	<b>83,723,563</b>
Information, media and pastoral activities	16,096,482	16,646,664
<b>Total project expenses</b>	<b>100,730,649</b>	<b>100,370,227</b>

## Personnel costs

The total personnel costs amount to EUR 17,490k (prior year: EUR 17,190k).

## Employees

As of December 31, 2017, the Foundation employed 437 people, including part-time employees (prior year: 420 people).

<b>Average number of employees in the financial year</b>	<b>2017</b>	<b>2016</b>
Full-time employees	259.25	255.00
Part-time employees	105.00	90.00
Appealers/Freelance/Volunteers	76.25	87.50
	<b>440.50</b>	<b>432.50</b>

## **Further information**

### **Audit costs**

Following audit costs have been paid by the International Office in 2017:

- EUR 118k

### **Contingencies**

In 2005 the Belgian Foundation received a grant of EUR 532k to assist in the renovation of the new premises.

Part of this grant may become repayable in the future, if certain conditions attaching to the grant do not continue to be met.

### **Conditional obligations**

Conditional obligations based on commitments amount to a total of EUR 15,173k whereby all project partners concerned received notification in writing that the commitment is “legally non-enforceable”. This amount is attributable to the following facts:

1. The project budget approved by the General Council was already exhausted.
2. The projects concerned are “Auf Abruf” (“on call”), i.e. the project partner must first of all fulfil a certain condition, e.g. provide the recommendation of the bishop or secure additional sources of funding or confirm the actual start of the project.
3. The project partner still has to provide bank details.

## **Organs of the Foundation**

**The Foundation “Aid to the Church in Need” has been established by Pope Benedict XVI by Chirograph, dated November 4, 2011.** By means of this document the new Statutes of ACN acquire legal force and at the same time the Prefect of the Congregation for the Clergy, His Eminence Mauro Cardinal Piacenza, is appointed as the first President of the Foundation.

By the chirograph the Foundation thus established was assigned the patrimony formerly belonging to the public Association of the Faithful “Aid to the Church in Need”, and it acquires all rights of active and passive relations.

On April 17, 2018 Dr. Thomas Heine-Gelden has been appointed Executive President by the Congregation of Clergy. Johannes Freiherr Heeremann van Zuydtwyck was the Executive President until April 17, 2018.

Father Martin Barta was appointed as the Ecclesiastical Assistant. Philipp Ozores was appointed as General Secretary. The Statutes of the Foundation have been revised on August 10, 2017. Since then the Organs of the **Foundation** are

- The Supervisory Board
- The President
- The Administrative Council
- The Executive President
- The Presidents of the National Sections
- The College of Auditors

Königstein im Taunus, June 14, 2018

Dr. Thomas Heine-Geldern

(Executive President)

Philipp Ozores

(Secretary General)



Aid to the Church in Need (Foundation under Canon Law)  
Königstein im Taunus

Reconciliation between income and expenditure accounts  
according to cost type and functional category bases

	Donations	Sundry income	Project expenses	Information Services
	kEUR	kEUR	kEUR	kEUR
Donations	123,767			
Sundry income		290		
Expenses made to fulfill mission given by the church				
a) Project Work			-81,819	
b) Information, media and pastoral activities				-7,630
Supporting services				
a) Promotion and fundraising cost				-5,202
b) Administrative cost				-116
Financial result				
a) Interest and similar income				
b) Interest and similar expenses				
<b>Total</b>	<b>123,767</b>	<b>290</b>	<b>-81,819</b>	<b>-12,948</b>



	Personnel costs kEUR	Depreciation kEUR	Administration kEUR	Interest and similar income kEUR	Interest and similar expenses kEUR	<b>Total</b> kEUR
						<b>123,767</b>
						<b>290</b>
	-2,364	-118	-333			<b>-84,634</b>
	-5,871	-488	-2,109			<b>-16,096</b>
	-5,188	-210	-2,247			<b>-12,847</b>
	-4,068	-284	-4,070			<b>-8,538</b>
				831		<b>831</b>
					-885	<b>-885</b>
	<b>-17,490</b>	<b>-1,100</b>	<b>-8,759</b>	<b>831</b>	<b>-885</b>	<b>1,888</b>



**Movements in combined fixed assets 2017**

	Jan. 1, 2017		Revaluation		Additions		Disposals		Correction		Dec. 31, 2017		Jan. 1, 2017		Revaluation		Reversal		Additions		Disposals		Dec. 31, 2017		Net book value			
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	
<b>A. Fixed Assets</b>																												
<b>I. Intangible Assets</b>																												
Purchased IT software	1,954,687	-2,980	208,462	1,120	0	2,159,048	976,211	-2,430	0	291,393	424	1,264,749	894,299	978,476														
<b>II. Tangible Assets</b>																												
1. Land and buildings	17,215,864	-46,248	3,515,924	268,807	0	20,416,733	4,205,537	-15,335	0	284,138	23,910	4,450,429	15,966,303	13,010,327														
2. Office equipment	7,326,214	-112,920	476,832	246,978	0	7,443,148	6,211,671	-85,535	0	519,188	242,691	6,402,633	1,040,515	1,114,543														
<b>Sub-Total Tangible Assets</b>	<b>24,542,078</b>	<b>-159,169</b>	<b>3,992,756</b>	<b>515,785</b>	<b>0</b>	<b>27,859,880</b>	<b>10,417,208</b>	<b>-100,870</b>	<b>0</b>	<b>803,325</b>	<b>266,602</b>	<b>10,853,062</b>	<b>17,006,818</b>	<b>14,124,870</b>														
<b>Total Intangible+Tangible Assets</b>	<b>26,496,765</b>	<b>-162,149</b>	<b>4,201,218</b>	<b>516,905</b>	<b>0</b>	<b>30,018,929</b>	<b>11,393,419</b>	<b>-103,301</b>	<b>0</b>	<b>1,094,719</b>	<b>267,026</b>	<b>12,117,811</b>	<b>17,901,118</b>	<b>15,103,346</b>														
<b>III. Financial Assets</b>																												
Equity & Securities	13,909,528	-667,103	8,295,856	11,394,408	-213	10,143,660	319	5,549	-58,970	20,093	34,417	-67,427	10,211,066	13,909,209														
Participations	35,840	0	0	0	0	35,840	0	0	0	0	0	0	35,840	35,840														
Equity, Securities, Participations	13,945,368	-667,103	8,295,856	11,394,408	-213	10,179,500	319	5,549	-58,970	20,093	34,417	-67,427	10,246,927	13,945,050														
<b>IV. Conditional assets</b>																												
Securities	4,233,010	-59,965	670,968	640,106	0	4,203,906	0	0	0	0	0	0	4,203,906	4,233,010														
<b>Total Fixed Assets</b>	<b>44,675,142</b>	<b>-889,217</b>	<b>13,168,042</b>	<b>12,551,419</b>	<b>-213</b>	<b>44,402,334</b>	<b>11,393,737</b>	<b>-97,751</b>	<b>-58,970</b>	<b>1,114,812</b>	<b>301,443</b>	<b>12,050,384</b>	<b>32,351,950</b>	<b>33,281,405</b>														
<b>B. Other long-term Assets</b>																												
a. Pension funds	8,831,103	5,324	566,112	50,273	0	9,352,266	0	0	0	0	0	0	9,352,266	8,831,103														
b. Other long-term Assets	92,216	-235	821,994	827,217	0	86,758	0	0	0	0	0	0	86,758	92,216														
<b>Sub-Total long-term Assets</b>	<b>8,923,320</b>	<b>5,089</b>	<b>1,388,106</b>	<b>877,490</b>	<b>0</b>	<b>9,439,024</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9,439,024</b>	<b>8,923,320</b>														
<b>Total</b>	<b>53,598,462</b>	<b>-884,129</b>	<b>14,556,147</b>	<b>13,428,909</b>	<b>-213</b>	<b>53,841,358</b>	<b>11,393,737</b>	<b>-97,751</b>	<b>-58,970</b>	<b>1,114,812</b>	<b>301,443</b>	<b>12,050,384</b>	<b>41,790,974</b>	<b>42,204,725</b>														



# Auditor's Report

To "Aid to the Church in Need" (Pontifical Foundation under Canon Law),  
represented by ACN International Aid to Church in Need gGmbH:

We have audited the attached combined financial statements of "Aid to the Church in Need" (Pontifical Foundation under Canon Law) – consisting of the combined balance sheet, the combined income statement of the "Aid to the Church in Need" (Pontifical Foundation under Canon Law) as well as the notes (basis of preparation) – for the financial year from January 1, 2017 to December 31, 2017.

## **Management's responsibility**

The charity officers under Canon Law of "Aid to the Church in Need" (Pontifical Foundation under Canon Law) are responsible for preparing the combined financial statements according to the attached basis of preparation. The charity officers are also responsible for the internal controls that they determine are necessary to enable the preparation of the combined financial statements that are free from material misstatements, whether due to fraud or error.

## **Auditor's responsibility**

Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit of the combined financial statements in accordance with the generally accepted standards for the audit of combined financial statements promulgated by the German Institute of Public Auditors [IDW]. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's professional judgement. This includes an assessment of the risks of material misstatement in the combined financial statements, whether due to fraud or error. In assessing these risks, the auditor considers the internal control system relevant for the preparation of the combined financial statements. The objective of this is to plan and perform procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organisation's internal control system. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Audit opinion**

In our opinion based on the findings of our audit, the combined financial statements for the financial year from January 1, 2017 to December 31, 2017 have been prepared in all material respects in accordance with the attached basis of preparation.

### **Concluding remarks**

Without qualifying our opinion, we refer to the accompanying basis of preparation, in which the essential accounting policies are described. This auditor's report is intended for "Aid to the Church in Need" (Pontifical Foundation under Canon Law) for information purposes only and can only be used as verification of the net assets and donation revenue of the "Aid to the Church in Need" (Pontifical Foundation under Canon Law) in fulfilment of its obligations under its Memorandum & Articles of Association and Canon Law. The combined financial statements may not be suitable for any other purpose.

The terms governing this engagement, which we fulfilled by rendering the aforesaid services to "Aid to the Church in Need" (Pontifical Foundation under Canon Law), represented by ACN International Aid to Church in Need gGmbH, are set out in the General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [*German Public Auditors and Public Audit Firms*] as amended on January 1, 2017 (see Appendix 6). In taking note of and using the information contained in this auditor's opinion, the recipient confirms that he or she has taken notice of the provisions contained therein (including provisions as regards our liability contained in Clause No. 9 of the General Engagement Terms) and accepts their validity in relation to us.

Mainz, June 14, 2018

KPMG AG  
Wirtschaftsprüfungsgesellschaft



Hauptmann  
Wirtschaftsprüfer  
[German Public Auditor]



Reichel  
Wirtschaftsprüfer  
[German Public Auditor]