



Combined financial statements as of December 31, 2016

AUDITOR'S REPORT

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

KPMG AG Wirtschaftsprüfungsgesellschaft

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

Combined Balance Sheet as of December 31, 2016

Assets

	Dec. 31, 2016	Dec. 31, 2015
	EUR	EUR
A. Fixed assets		
I. Intangible assets	978,476	748,284
II. Tangible assets	14,124,870	14,245,535
III. Financial assets	13,945,050	12,827,130
IV. Conditional assets	4,233,010	3,906,288
	33,281,405	31,727,237
B. Other long-term assets	8,923,320	8,440,837
C. Current assets		
I. Accounts receivable and sundry assets	10,321,185	8,236,038
II. Liquid assets	28,890,869	20,880,547
	39,212,054	29,116,585
	81,416,778	69,284,659

Liabilities and Reserves

	Dec. 31, 2016	Dec. 31, 2015
	EUR	EUR
A. Reserves		
1. Fixed capital	5,873,353	5,333,186
2. Addition to capital	206,405	289,632
3. Reserves	18,644,115	17,886,540
4. Results carried forward	23,779,692	33,307,091
5. Foreign currency adjustments capital/reserves	-267,196	-646,877
6. Surplus (2015 deficit) for the year	7,838,045	-8,711,439
7. Foreign currency translation adjustment	119,832	571,831
	56,194,245	48,029,964
B. Accruals		
1. Pension accruals	10,416,999	10,144,056
2. Sundry accruals	1,583,972	1,507,957
	12,000,971	11,652,013
C. Liabilities		
1. Bank liabilities	10,604	1,052,320
2. Project creditors	6,628,307	2,356,095
3. Sundry liabilities incl. conditional liabilities	6,582,651	6,194,267
	13,221,562	9,602,682
	81,416,778	69,284,659

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, 2016

	2016	2015
	EUR	EUR
1. Donations	128,231,960	123,307,287
2. Sundry income	321,874	427,891
Total income	128,553,835	123,735,178
3. Expenses made to fulfill mission given by the church		
a) Aid granted	-81,059,416	-94,829,343
b) Information, media and pastoral activities	-16,646,664	-15,226,747
c) Project management	-2,664,147	-2,595,848
Total project expenses	-100,370,227	-112,651,938
4. Supporting services		
a) Promotion and fundraising costs	-12,778,363	-12,141,945
b) Administrative costs	-8,284,572	-8,042,035
Total supporting services	-21,062,935	-20,183,980
5. Financial result		
a) Interest and similar income	930,365	843,500
b) Interest and similar expenses	-212,993	-454,199
Financial result (net)	717,371	389,301
6. Surplus (2015 deficit) for the year	7,838,045	-8,711,439

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

Notes to the Financial Statements for the year ended December 31, 2016

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 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 of the following, fully incorporated entities via the following National offices: CRTN gemeinnützige GmbH (CRTN) and YOUNCAT Foundation gemeinnützige GmbH (YOUNCAT) via ACN International Aid to the Church in Need gGmbH, Königstein, Germany.

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

Character and Principles of preparation of the Financial Statements

General

The 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 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

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 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 financial statements of the Universal Foundation expenditures are presented in cost of sales format. All expenses are allocated according to their functional nature. 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 activity
2. Promotion and fundraising
3. Project management
4. Administrative cost

Information, media and pastoral activity 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 management costs 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 2016. The translation differences arising from changes in exchange rates since the Euro opening balances January 1, 2016, 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 2016.

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

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 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 Charity 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 Charity 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 Charity 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 Charity 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.

Zero bonds are recognised with their costs of purchase plus the interest asset calculated on the basis of the effective interest calculated in relation to the capital. Compound interest is calculated in relation to the bond every year, and is realised as interest income.

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.

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 Charity. 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, cost of production or the market price on the closing date of the financial statements. The costs of production comprise individual material costs, individual production costs and the special individual production costs. The material overheads, the production overheads and also the reduction in the value of the asset (if attributable to production) are capitalised.

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 or costs of production. It is not possible for a lower figure to be retained if the reasons for the impairment are no longer applicable. Unlike the situation with regard to fixed assets, depreciation is not recognised in relation to current assets.

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 is 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 section 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, the figure shown for the liability is lower than the figure shown at the time at which the liability was first 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.

The reference date for accruals is redefined every year; it is normally the first bank working day of the following financial year. This is not applicable for inflows which are received on the basis of standing orders.

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 ACN, the bequests are only recognised in the income statement at the time at which the funds are actually received.

The financial statements for the period ending December 31, 2016 contain assets totalling EUR 4,121k (previous year EUR 1,029k) 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, 2016 CLP 303,960,000 (EUR 431.7k);
result of the financial year 2016 CLP -40,194,792 (EUR -53.7k)

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

Shareholder's equity (capital) at Dec. 31, 2016 CLP 1,000,000 (EUR 1.4k);
result of the financial year 2016 CLP 76,176 (EUR 102)

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

Shareholder's equity (capital) at Dec. 31, 2016 CLP 1,000,000 (EUR 1.4k);
result of the financial year 2016 CLP 0 (EUR 0)

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, 2016 PLZ 1,939,500 (EUR 439.8k);
result of the financial year 2016 PLZ -111,173.36 (EUR -25.5k)

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

Shareholder's equity (capital) at Dec. 31, 2016 GBP 100 (EUR 117);
result of the financial year 2016 GBP 29,462 (EUR 36.0k)

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

Shareholder's equity (capital) at Dec. 31, 2016: EUR 25k;
Loss of the financial year 2016: EUR -38.9k

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

Shareholder's equity (capital) at Dec. 31, 2016: EUR 50k;
result of the financial year 2016 EUR 650.1k

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 18.2k (prior year EUR 66.9k).

Shares and marketable securities donated conditionally amount to EUR 4,233k (prior year EUR 3,906k).

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 8,831k, prior year EUR 8,349k).

Current assets

Accounts receivable and sundry assets mainly comprise:

This caption includes donations/legacies to be received EUR 5,702k (mainly International Office EUR 1,624k, UK EUR 3,442k, Germany EUR 115k, Italy EUR 132k, and USA EUR 353k); buildings and apartments to be sold (located in Spain EUR 1,663k, and Portugal EUR 278k), and stock of material EUR 619k (mainly

Germany EUR 244k, U.K. EUR 79k, The Netherlands EUR 58k, and Youcat Foundation EUR 187k).

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 7,838k), current year additions of the Pater Werenfried Foundation (EUR 206k) and the difference arising from currency translation of the financial statements of National Offices in non-Euro countries (EUR -267k).

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 4.01% per annum (10-year-average) compared to 3.24% per annum (7-year-average) last year, 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 4.01% 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, 2016. The interest related expenses from the pensions reserves are indicated under the item covering other interest and related expenditure. The use of a 10-year-average discount rate at the year end 2016 instead of a 7-year-average discount rate is stipulated by German law which changed the relevant statutory provisions for measuring pensions liabilities from defined benefit plans and which becomes effective the first time for the current reporting period. The difference between discounting the pension liability with a rate based on a 7-year-average and a 10-year-average is 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 preparing and

auditing the annual financial statements, for archiving costs, and accrued legal and audit fees.

Bank liabilities represents overdraft on current bank accounts EUR 10.6k, of which EUR 6.1k in Colombia and EUR 4.5k at the YOUCAT Foundation.

Project creditors relate to project expenses committed before December 31, 2016 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. Project creditors are stated at their nominal amounts.

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 1,288k (prior year: EUR 978k) 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 205k), income from the release of accruals EUR 1.8k, mainly in Germany EUR 1.7k; income relating to other periods EUR 33k as well as other non-operating income EUR 92k, of which EUR 74k in the International Office resulting from currency valuations.

The following table sets out the volume of **donations and other income** broken down according to countries compared with the previous year. These have increased by EUR 4,819k or 3.89% compared with previous the year.

Country	2016	2015
	EUR	EUR
Australia	3,587,744	2,525,367
Austria	3,063,200	2,973,358

Belgium including Hulp en Hoop	4,537,734	3,590,825
Brazil	3,647,130	3,662,022
Canada	1,989,144	2,104,063
Chile	1,155,887	1,219,544
Colombia	169,896	97,336
France	29,490,022	36,590,066
Germany including Foundation Fr. Werenfried *	12,393,616	10,513,008
Ireland	4,533,380	3,686,081
Italy	3,390,293	2,489,666
Malta	212,155	124,653
Mexico	266,478	210,598
Netherlands	3,888,878	3,588,677
Poland	2,187,940	2,085,253
Portugal	3,178,816	2,589,808
Spain	13,170,152	13,219,164
South Korea	558,506	85,322
Switzerland/Principality Liechtenstein	9,142,586	10,287,979
UK	18,227,954	13,841,433
USA	6,825,530	6,937,440
Intern. Secretariat/CRTN/Youcat Foundation	2,936,794	1,313,515
Total income	128,553,835	123,735,178

*) 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

	2016	2015
	EUR	EUR
Asia/Africa	20,250,326	23,128,367
Eastern Europe I	7,427,492	9,830,569
Africa II	7,040,280	9,108,605
Africa I	6,908,702	8,203,942
Latin America II	6,250,663	6,114,613
Africa III	6,099,823	7,669,670
Latin America I	5,708,900	6,529,745
Asia I	4,411,156	4,428,886
Asia II	4,286,019	5,730,376
Asia III	3,706,555	3,732,434
Europe	3,005,914	4,017,756
Eastern Europe II	2,820,102	3,685,484
Students	2,170,861	1,480,575
Eastern Europe III	972,623	1,168,322
Aid granted	81,059,416	94,829,343
Information, media & pastoral activities	16,646,664	15,226,747
Project management	2,664,147	2,595,848
Total project expenses	100,370,227	112,651,938

Personnel costs

The total personnel costs amount to EUR 17,190k (prior year: EUR 16,990k).

Employees

As of December 31, 2016, the Foundation employed 445 people, including part-time employees (prior year: 407 people).

Average number of employees in the financial year	2016	2015
Full-time employees	255.00	226.75
Part-time employees	90.00	90.75
Appealers/Freelance/Volunteers	87.50	67.75
	432.50	385.25

Depreciation

Depreciations include an impairment amounting to EUR 543k.

Further information

Audit costs

Following audit costs have been paid by the International Office in 2016:

- EUR 174k

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 15,684k 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 December 1, 2012 the President appointed Johannes Freiherr Heereman von Zuydtwyck as the Executive President, Chairman of the Executive Committee and Father Martin Barta was appointed as the Ecclesiastical Assistant. On April 1, 2016 Philipp Ozores was appointed as General Secretary. The Organs of the **Foundation** are

- The President
- The Administrative Council
- The Executive President
- The Executive Committee
- The General Council
- The General Secretary
- The College of Auditors
- The Ecclesiastical Assistant

The members of the Executive Committee are appointed in accordance with the Statutes. The Administrative Council, which can constitute itself independently of such appointments, has been constituted on May 22, 2012. The Executive Committee has been constituted on February 4, 2014.

Königstein im Taunus, June 21, 2017

Johannes Freiherr Heereman von Zuydtwyck
(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	National and International Promotion
	kEUR	kEUR	kEUR	kEUR
Donations	128,232			
Sundry income		322		
Expenses made to fulfill mission given by the church				
a) Aid granted			-81,059	
b) Information, media and pastoral activities				-8,279
c) Project management				
Supporting services				
a) Promotion and fundraising cost				-5,695
b) Administrative cost				-180
Financial result				
a) Interest and similar income				
b) Interest and similar expenses				
Total	128,232	322	-81,059	-14,154

	Personnel costs kEUR	Depreciation kEUR	Administration kEUR	Interest and similar income kEUR	Interest and similar expenses kEUR	Total kEUR
						128,232
						322
						-81,059
	-5,800	-476	-2,092			-16,647
	-2,083	-392	-189			-2,664
	-5,014	-219	-1,851			-12,779
	-4,292	-535	-3,277			-8,284
				930		930
					-213	-213
	-17,189	-1,622	-7,409	930	-213	7,838

Movements in consolidated fixed assets 2016

	Jan. 1, 2016		Revaluation		Acquisition cost		Disposals		Dec. 31, 2016		Jan. 1, 2016		Revaluation		Accumulated depreciation		Disposals		Dec. 31, 2016		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
A. Fixed Assets																							
I. Intangible Assets																							
Purchased IT software	1,481,005		125	474,573	1,016	1,954,687	732,721	95	0	243,395	0	976,211	0	978,476	748,284								
	18,664,882	-201,678	1,124,564	1,124,564	2,371,905	17,215,864	5,411,233	-2,426	0	877,823	2,081,092	4,205,537	13,010,327	13,010,327	13,253,650								
2. Office equipment	7,010,606	-11,133	694,700	694,700	367,959	7,326,214	6,018,721	-2,293	0	501,053	305,810	6,211,671	1,114,543	1,114,543	991,865								
Sub-Total Tangible Assets	25,675,488	-212,810	1,819,264	1,819,264	2,739,864	24,542,078	11,429,954	-4,719	0	1,378,876	2,386,902	10,417,208	14,124,870	14,124,870	14,245,535								
Total																							
Intangible+Tangible Assets	27,156,493	-212,686	2,293,837	2,293,837	2,740,880	26,496,765	12,162,674	-4,625	0	1,622,271	2,386,902	11,393,419	15,103,346	15,103,346	14,993,819								
III. Financial Assets																							
Equity & Securities	12,851,527	184,883	6,611,772	6,611,772	5,738,654	13,909,528	62,737	-1,794	18,171	46,060	124,856	319	13,909,209	12,788,790	38,340								
Participations	38,340	0	0	0	2,500	35,840	0	0	0	0	0	0	35,840	35,840	38,340								
Equity, Securities, Participations	12,889,868	184,883	6,611,772	6,611,772	5,741,154	13,945,368	62,737	-1,794	18,171	46,060	124,856	319	13,945,050	12,827,130	76,680								
IV. Conditional assets																							
Securities	3,906,288	10,463	1,312,734	1,312,734	996,476	4,233,010	0	0	0	4,233,010	0	0	4,233,010	3,906,288	326,722								
Total Fixed Assets	43,952,649	-17,340	10,218,343	10,218,343	9,478,510	44,675,142	12,225,412	-6,419	18,171	1,668,332	2,511,759	11,393,737	33,281,405	33,281,405	31,727,237								
B. Other long-term Assets																							
a. Pension funds	8,348,798	0	501,629	501,629	19,324	8,831,103	0	0	0	0	0	0	8,831,103	8,348,798	492,305								
b. Other long-term Assets	92,039	255	701,981	701,981	702,059	92,216	0	0	0	0	0	0	92,216	92,039	177,177								
Sub-Total long-term Assets	8,440,837	255	1,203,610	1,203,610	721,383	8,923,320	0	0	0	0	0	0	8,923,320	8,440,837	669,482								
Total	52,393,487	-17,084	11,421,953	11,421,953	10,199,893	53,598,462	12,225,412	-6,419	18,171	1,668,332	2,511,759	11,393,737	42,204,725	42,204,725	40,168,074								

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 a summary of significant accounting policies and other explanatory information (basis of preparation) – for the financial year from 1 January 2016 to 31 December 2016.

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 1 January 2016 to 31 December 2016 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 1 January 2002 (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 21, 2017

KPMG AG

Wirtschaftsprüfungsgesellschaft



Hauptmann
Wirtschaftsprüfer
[German Public Auditor]



Reichel
Wirtschaftsprüfer
[German Public Auditor]