



Report of the Board of Directors and the 2017 Annual Accounts/Financial Statements

2017 began with the Madrid Consultation organised in collaboration with the Universidad Pontificia Comillas ICAI-ICADE and the BBVA Group. The Consultation was held January 25 to 27 on the subject *Economic and financial ethics in the digital age*. The Foundation then worked on the May 18-20 International Conference in the Vatican centred on the theme *Constructive alternatives at a time of global upheaval: employment and human dignity in the digital age*. The future of work and Christian ethics in the context of the digital revolution was further discussed in two conferences: the first in Italian held in Turin 23 September on *People and Organisations in the era of the digital revolution. Transformations of work, competitiveness and inequality* and the second in German in Berlin 15 - 16 November where the topic was *Christian Social Ethics in the Digital Age*. These meetings were stages in a process that aims to project into the future the experiences gained gradually over the years, as in 2017 we are approaching the threshold of the 25th anniversary of the establishment of the Foundation through St. John Paul II's 1993 Motu Proprio.

The ceremony for the third edition of the International "Business and Society" Award held May 18 and chaired by the Cardinal Secretary of State Pietro Parolin in the presence of the authors, the chairman of the Jury Cardinal Reinhard Marx and the secretary of the award committee Prof. Fr. Michael Konrad. The award ceremony was part of the Foundation's international conference. The award-winning work was "Prinzip Nachhaltigkeit: Ein Entwurf aus Theolchurch'sogisch-ethischer Perspektive" (Munche, 2009, Oekom Verlag, third ed. 2013) by Markus Vogt. Winners of the special section dedicated to journalistic works on the Church's Social Doctrine were: Dominique Greiner for the blog: "La Doctrine social le fil", found on the website of "La Croix" newspaper (doctrine-sociale.blogs.la-croix.com), and Burkhard Schäfers, for his radio programme "Oswald von Nell-Breuning - Was ist von der katholischen Soziallehre geblieben" aired for the first time on Deutschlandradio Kultur / Religion the 08/03/2015.

Members warmly welcomed and showed keen interest in these initiatives, the upshot being numerous meetings of many local groups described later in this report.

The result of these efforts can be summarized as a significant increase in the number of members between 2016 and 2017 from 297 in 2016 to 316 in 21 countries with a consequent rise in the contribution of fees paid in the same period which increased from € 169,279 to € 181,773.

In 2016, the Secretariat of State approved the employment of two members of staff in the persons of Paola D'Onofrio and Giulia Mibelli for the office of the Foundation's general secretariat where they already collaborated. This came into effect from 1 January 2017.

At their May 17, 2017 meeting, the Board of Directors requested the Italian Episcopal Conference to appoint Don Walter Magnoni, at present also ecclesiastical assistant to the members of the Diocese of Milan, as the Centesimus Annus Pro Pontifice Foundation's Central Assistant for Italy. He would replace Don Gianni Fusco who would be taking up another assignment on the expiry of his five-year term in September. On September 28, CEI (the Italian Episcopal Conference) communicated its

approval which was followed by ratification of Don Walter Magnoni's five-year appointment. The Foundation expressed its warm gratitude to Don Gianni Fusco.

Concerning economic aspects, management of assets has been particularly important and significant vis-à-vis the outcome; the portfolio securities in the year 2017 alone, generated capital gains (or net gains on securities trading) of €230,150.95, despite considerable global turbulence in share prices, bonds and currency.

The total amount of revenues for the period rose to €720,491.27 against € 663,568.82 the previous year. The total amount under the "item expenses" includes expenses for the allocation of €25,000.00 for the Economy and Society Award fund and an outlay of €30,000.00 towards the Voluntary Solidarity Fund (VSF) International, showing overall a total amount of €510,440.37 compared to €450,848.87 in 2016 thus achieving a result of €210,050.90 which is in line with the 2016 result of €212,719.95.

Activities of local groups

BRUSSELS

Efforts to start a group in Brussels, mainly but not exclusively oriented towards the European institutions, are showing results thanks to the work of CAPP members Ondrej Socuvka (Google) and Markus Schulte (European Commission). The Secretary General Eutimio Tiliacos attended a meeting on November 22 organised by the Apostolic Nuncio to the European Union, Msgr. Alain Paul Lebeaupin to discuss future actions.

CANADA

The contacts initiated by Peter O'Brien a member of the Foundation continue, and it is hoped to follow up these contacts with potential members in Montreal and Toronto.

FRANCE

Contacts to relaunch initiatives in France continue. Planning for this work was initiated by members Robert Leblanc (Paris) and Pierre Bognon (resident in the USA) with results expected as early as 2018.

GERMANY

The coordinator for Germany, Mr. Thomas Rusche, informed us that in 2017 the group organised the following meetings:

4 March 2017 in Frankfurt/M. saw the preparatory Workshop for the annual Rome conference. The participants included members of German CAPP.

On the occasion of the 2017 International Conference, the group offered a reflection on the themes of the three sessions: youth unemployment, combating human trafficking and financial crime and civil virtue incentives.

The CAPP Conference was held in Berlin from 15 – 17 November 2017 on the subject: *Christian Social Ethics in the Digital Age*. The participants included the Chairman, the Secretary General, members of the CAPP Foundation, Christian businessmen, politicians and researchers.

In February 2018, the group will meet again in Frankfurt to prepare the annual Rome conference, while in October / November it plans to organise a conference with Cardinal Woelki in Cologne.

HONG KONG

October 18: A letter from the secretary general to Msgr. Michael Yeung Ming-cheung, Bishop of Hong Kong on the advice of Monsignor Jozić and the Secretariat of State to present Dr. Sung as a possible future group coordinator and ask for suggestions for an ecclesiastical assistant. We are waiting for a response.

ITALY

On March 24 the Secretary General convened a meeting of the Foundation's coordinators and ecclesiastical assistants. The purpose of the meeting which was chaired by Mrs. Camilla Borghese Khevehueller, vice-chair of the Foundation was to line up activities for the current year. The day ended with a meditation by Archbishop Celli.

As already indicated, the annual convention in Italian was held in Turin on September 23, 2017. The meeting, organised with the support of the local group and the coordinator Paolo Fabris de Fabris, was held in the Palazzo Barolo. 57 members and friends of the Foundation participated. The conference benefited from the support of the Fondazione San Paolo.

Lombardy Groups:

During the September 22, 2017 meeting of the Board of Directors, Francesco Sansone, formerly coordinator of the Milan group was appointed coordinator of the Lombardy groups, while Giovanni Facchini Martini was appointed coordinator of the Milan group. The Lombardy region at present includes the Milan and Bergamo groups, and it is hoped that in the near future there will be new groups in other Lombardy cities. With this in mind, the coordinator, Francesco Sansone, convened a meeting in Milan on November 21, to discuss sharing the coordination and development activities of groups working in the region. It was also attended by the secretary general and the ecclesiastical assistant Don Walter Magnoni.

Bergamo Group:

The CAPP local group met at the Confindustria offices in Bergamo on September 22, 2017 with its new coordinator Gabriele Fava, who was appointed during the May 17 meeting of the Board of Directors. Topic of the meeting was "The digital revolution in the family environment: balancing family/professional work in the digital context. The role of women".

This was followed in November 2017, by another meeting of the Bergamo group. The theme this time was "The role of technology in the labour market: inter-generational issues related to digital culture and employment concerns." Special attention was given to the following issues: "training", "synergies between the family and the world of work"; "The adaptation aptitudes of the over 40-50 age workers"; and "efficient and competent management by young workers in the new technologies".

The **Bologna** Group offered a reflection on youth unemployment at the International Conference.

Crotone Group:

There were five meetings in 2017. The November 18 Conference on the subject of money laundering stimulated wide interest and participation well beyond the circle of local members. It was jointly organised by the Foundation's local coordinator Francesco Cavallaro with the local associations of lawyers and accountants. Participants included various public organisations such as fiscal institutions and professional associations and included among the speakers the Secretary General, who reported on the activity of the Vatican Financial Information Authority in anti-money laundering matters.

Florence Group and **San Miniato** Group: Francesco Salesia resigned as coordinator because of other commitments. Initiatives to re-launch the Foundation locally and regionally need to be studied and implemented in 2018 with the help of the national ecclesiastical assistant as the San Miniato group is

also affected by the loss of its coordinator: in the latter case due to the death of Paolo Giani during the year.

Milan Group:

The group met on 27 February and 3 April in preparation for the 2017 International Conference, and intensified their study of youth unemployment, the fight against human trafficking and economic crime. The two working groups were coordinated by two members, Gaetano Cavalieri and Paolo Cederle, who prepared the draft documents submitted to the convention by the coordinator, Francesco Sansone. In a meeting on 17 October with the new coordinator Giovanni Facchini Martini, the topics chosen for the 2018 International Conference were defined. The group met again on 20 November to continue discussions on the document that will be the Milan group's contribution to the 2018 International Conference. The document coordinated by Massimiliano Riva, explores "the future of work and employment in the era of the digital revolution. Dialogue with trade unions, formation and training initiatives."

On December 21, the group was received by Archbishop Mario Delpini of Milan. Anna Maria Tarantola, Francesco Sansone and Eutimio Tiliacos, the Secretary General, were all present, in addition to local group members.

The group has long cooperated with the Archdiocese of Milan in the encounters entitled "Dialogues for the good life" planned by Cardinal Angelo Scola, which bring together representatives of civil society on issues of common concern. The Centesimus Annus Foundation participates at financial study meetings through UCID (the Union of Christian Business Leaders) and the Prospera Association.

Rome Group:

Starting from **March 16**, the group met at the Collegio Villa Nazareth under the guidance of Archbishop Claudio Maria Celli to expand their knowledge of the Church's Doctrine based particularly on readings and commentary of the Apostolic Exhortation *Amoris Laetitia*. The 2017 meetings, organised by the coordinator Attilio Tranquilli, ended on 13 December with a pre-Christmas Mass.

Sardinia Group:

In January 2017, the Foundation organised six meetings in various Sardinian cities and involved all Sardinian dioceses.

In February 2017, there were about 200 participants at a formation meeting as part of a conference on Blessed Maria Cristina of Savoy and the social doctrine of the Church; the coordinator Alberto Picciau, explored the theme of Catholic Social Doctrine and the reality of the CAPP Foundation. During March and April 2017, he gave a presentation on the Armenian Genocide and earlier on the Holocaust, thus increasing CAPP's visibility.

The months of May and June 2017 were dedicated to preparations for the conference "Summer School" a Hope for Europe, on the subject of Catholic Social Doctrine, which like every year, was attended by senior ecclesiastical authorities and the active involvement of the CAPP Foundation.

The months of July and August 2017 saw a conference in Cagliari with the participation of members of the Foundation and the presence of H.E. Msgr. Nunzio Galantino.

In September 2017 the final meetings were held in preparation for the *48th Social Week of Italian Catholics*, held in Cagliari 26 to 29 October 2017, at which Alberto Picciau participated as official delegate of the Diocese of Cagliari and CAPP coordinator. The theme was "*Work which we want to be free, creative, participatory and inclusive.*" 1300 delegates from all dioceses of Italy attended with about 80 bishops and many priests.

In November 2017 the *Lectio Magistralis* was given on the Social Doctrine of the Church "*From Rerum Novarum ... to Laudato Si*", and was attended by about 100 participants. The event was reported in the local press, especially the "Unione Sarda" newspaper. An article on the literary work of Alberto Picciau was published in the Cagliari Cronaca which also boosted the work of the CAPP Foundation.

Torino Group:

The group met on March 6. It contributed to the international Conference with a reflection on "supplementary processes in the digital age: a sceptical glance". The group met again on July 5 in preparation for the annual meeting in Italian, held in Turin on September 23. Paolo Fabris, the coordinator, used his connections as legal adviser to the Opera Barolo to make its headquarters available to the Foundation for its conference. He also gave an important contribution to the formulation of the programme and the choice of speakers working closely with Giovanni Marseguerra, coordinator of the scientific committee. Most members of the Foundation's Turin group collaborated in the success of the work and the initiatives organised alongside the conference. Particularly popular was the competition offered by the former chairman of the Foundation Lorenzo Rossi di Montelera and Andrea Angeli one of the members. On December 13, the group met for the pre-Christmas Mass.

Trento Group:

On September 15, members of the group had a meeting with Archbishop Lauro Tisi with the Secretary General Eutimio Tiliacos, the central ecclesiastical assistant Don Gianni Fusco and the group's ecclesiastical assistant Don Bruno Tomasi present. The purpose of the meeting was to assess activities since 2006, and examine ways to give new impetus to the group's future and offer some proposals on the crucial issues that need to be developed in preparation for the May 2018 international conference. Archbishop Tisi offered the Trento group space to publish a regular column dedicated to the Foundation in the diocesan newspaper, a mark of appreciation of the Foundation's efforts to disseminate the Church's Social Doctrine.

On November 6, the group met again in ISA and again on November 30 while the pre-Christmas Mass was celebrated on December 13.

Treviso Group:

The group met on March 11 to finalise the topic for reflection to be presented at the international conference in 2017 focusing it on unaccompanied foreign minors: (MSNA). The theme was again discussed and updated at the 20 October 2017 meeting with the title: MSNA and the volunteer Guardian (report by Martina Marangon); the Secretary General was present at this meeting. An updated video on the subject prepared by the group was re-proposed: an early version had been screened at the May 2017 International Conference.

MALTA

Msgr. Joe Galea Curmi, vicar general of the Archdiocese of Malta, is CAPP's ecclesiastical assistant for Malta. The local group, organised by the group coordinator Joseph F.X. Zahra with the assistance of Mark De Micoli, collaborates with the Institute for Pastoral Formation and contributes to the formation of ideas and the organisation of activities.

The planning meeting set up by the coordination committee was held on 17 January 2017. In February 2017 members of CAPP Malta chaired the sessions in a seminar organised by the Institute for Pastoral Formation on "Neoliberalism and the Catholic Faith." In the period from March to May 2017 meetings were arranged at the *Surge Advisory* to discuss the paper that Malta CAPP was preparing for the May International Conference in the Vatican.

March 23, 2017 saw the regular meeting "An hour of reflection" – Lenten Talk and Holy Mass at *Mount Saint Joseph*, Mosta, celebrated by Fr. V. Magri SJ.

From 18 to 20 May 2017 on the occasion of the 2017 International Conference, Mark De Micoli read a paper prepared by CAPP Malta and drafted by Mr. David Callaby.

On July 6, 2017 a planning meeting for the second half of the year was held at the *Surge Advisory* to discuss the programme of activities for the second half of 2017.

16 September 2017 "An hour of reflection" led by Father George Frendo was organised at the Klarissi Convent, Victoria.

A meeting with the new Apostolic Nuncio to Malta, Msgr. Alessandro D'Errico took place on 14 October, 2017 at the Apostolic Nunciature in Tal-Virtu'. The CAPP delegation was composed of: chairman Sugranyes, Lawrence Gonzi, secretary general Tiliacos, Msgr. Galea Curmi and Borg, Galea, De Micoli and Zahra, Maltese members of the Foundation.

In the months of October-November 2017 several informal meetings were devoted to the preparation of the paper *Humanising the digital age: the family, work, our future*. The work was summarised in a document drafted this year by Dr. Nadia Delicata, professor of moral theology at the University of Malta.

On November 25, 2017, the end of the year Thanksgiving Mass was celebrated by Mons. Joe Galea Curmi, the Vicar General, in the Chapel of St. Anne in Sant'Angelo. Father John Critien welcomed a group of 30 members with their spouses.

SPAIN

Barcelona

The local group led by Ignasi Garcia Clavel, held monthly meetings with regular attendance of about 10-15 professionals.

The chairman Domingo Sugranyes attended one of the meetings on October 20, 2017. At his suggestion, the group agreed to prepare a document for Catholic schools on education in responsible consumption. This document could be useful for future action by the CAPP Foundation in the follow-up to the 2018 International Conference.

The group's ecclesiastical assistant, Msgr. Sebastia' Taltavull was appointed Bishop of Mallorca by Pope Francis; so the group needs to ask their contacts to suggest a name of another ecclesiastical assistant. The Archbishop of Barcelona, Cardinal Juan Jose' Ornella, has shown great interest in the continuation and development of the local CAPP group.

Madrid

The group led by Alfonso Carcassonne decided to continue work on legislation and institutional policies for the development of vocational training in response to the ongoing problem of youth unemployment. At the same time the group also offers spiritual formation sessions on the dignity of work in the spirit of Catholic social teaching with the help of its ecclesiastical assistant Fr. José Manuel Aparicio. Chairman Sugranyes regularly attends the meetings of this group, which mainly comprises business leaders and academics.

Alfonso Carcasona reports that the Madrid group held 10 sessions, where they reflected on the role of professional training in Spain, and the need to dignify it as a means for people to achieve professional fulfilment and with the additional aim of reducing the rate of unemployment.

A spiritual meditation day with Archbishop Claudio Maria Celli was organised at the Paul VI Foundation on April 27. The meditation was followed by a discussion at the Pontificia Comillas University co-organised by the Faculty of Economic and Entrepreneurial Ethics on the subject of professional formation in response to youth unemployment.

This occasion was used to present the group's report for comments from trade union and business leaders, government officials, and professors from the University of Comillas. The ultimate goal is to arrive at an agreed text with the social partners and political forces to focus more attention on Professional Formation.

The October meeting was devoted to a conversation on vocational training with the secretary general of the Madrid Federation of Employers. A similar talk will be held in one of the next meetings with the person responsible for education within the Comisiones Obreras trade union.

The group also agreed to meet with representatives of the charitable association Aid to the Church in Need, which had already made a presentation at the last international conference.

SWITZERLAND

The diocese of Lausanne, Geneva and Friborg (Switzerland) established a forum called Plateforme Dignité et Développement (PDD) which plans to discuss economic and social problems in the light of Catholic social teaching. The president of the PDD, Jean-Marie Brandt, and one of its founders, Professor Paul Dembinski (CAPP member of the scientific committee) agreed in principle to consider the possibility of collaborating with the CAPP Foundation.

UK

The London group proposed holding the sixth meeting of the "Dublin Process" in London in **January 2019**. The idea is to organise the consultation but also alongside it a conference/meeting of the panel open to a wider audience. It is hoped that Cardinal Vincent Nichols will be able to open or close the meeting. A preparatory encounter is planned for London in February 2018.

Having taken part in the Madrid Consultation (January 2017), Robert Tann agreed to participate as an informal spokesman for the work of CAPP at a World Economic Forum workshop (Singapore, 13 November, 2017) on the use of personal data in finance. He applied to become a *Friend of the CAPP* Foundation. His request was granted by the Board at its meeting in Berlin November 17, 2017.

Jean Pierre Casey, a London based member, published a booklet with the backing of the Foundation, which bought a number of copies, called *Living in the Digital Era – A Christian recipe for Authentic Human Development* It was printed by the Catholic Truth Society and copies distributed at the Berlin Conference.

USA

23 February 2017, the CAPP-USA Foundation sponsored a *Consultation on Trafficking in Human Beings* in collaboration with *Fordham University* at Rose Hill Campus. Archbishop Bernardito C. Auza, Apostolic Nuncio and Permanent Observer of the Holy See to the United Nations, delivered the opening address. Representatives from academia, law enforcement, civilian agencies and the Church came together to share their experiences and views on the subject to raise awareness of the growing threat of human trafficking and actively engage to put an end to this scourge. The event was attended by members of CAPP-USA from New York and Washington DC and also students from *Fordham University*.

On March 12 2017, CAPP-USA co-sponsored the ninth annual *Communion Breakfast* for Educators in collaboration with the *Sacred Heart University* in Fairfield, CT. The Coadjutor National Ecclesiastical Assistant of CAPP-USA Bishop Frank Caggiano gave the keynote speech entitled *The Mission of Catholic Education: Living the Truth in Love*. Sister Mary Grace Walsh, Provost for Education in the Archdiocese of Hartford, received the "Educator of the Year" award. The event was

attended by several members of the CAPP Foundation and many others, both lay and religious affiliated to the University and/or the educational programmes of the Diocese of Bridgeport.

The Secretary General visited the USA from July 9 – 14, 2017 accompanied by the Secretary of APSA Msgr. Mauro Rivella. The Agenda anticipated meetings with:

- ❖ *CAPP USA (Institutions, leaders and members)*
- ❖ *Paulist Press*
- ❖ *USA Ecclesiastical Assistants*
- ❖ *Apostolic Nuncio Auza (permanent Nunciature to the United Nations)*
- ❖ *Executives in the central structure of the US Bishops' Conference*
- ❖ *His Eminence Cardinal McCarrick*

Purpose of the trip:

1. Finalising a joint programme with CAPP USA to:
 - a. Expand the number of new members in the USA and encourage the creation of new groups in additional areas to those where CAPP USA is already present and well established
 - b. create a closer link between the central structure in the Vatican and the USA structure
 - c. Update websites reserving a dedicated space in each to provide better understanding of the initiatives and materials produced
2. Agreements to facilitate publication and dissemination in the United States of material produced by the Foundation
3. Build personal knowledge of the USA Ecclesiastical Assistants
4. Organisational planning of the fifth "Dublin Process" consultation to be held in NYC next March 2018 taking care of the logistical aspects and reporting to the Nuncio Archbishop Auza
5. Discussions with the CUA faculty on the development of online courses in Catholic Social Doctrine
6. Explain future stages in the work of the Foundation to representatives of the US Bishops' Conference with the assistance of Cardinal McCarrick.

On 25 September 2017, *Fordham University* campus in Manhattan hosted the event co-sponsored by CAPP to present the speech of Archbishop Paul Richard Gallagher, Secretary for Relations with States in the Secretariat of State and Head of the Holy See Delegation at the opening of the 72nd General Assembly of the United Nations. Another of his major speeches on the *Perspective of the Holy See on Contemporary International Issues*, was included on the Foundation's website. Among the guests who attended were members of CAPP-USA and lay friends of CAPP as well as Cardinal Theodore McCarrick, Father Joseph McShane (President of *Fordham University* and host of the event) and the faculty, religious and students of Fordham.

On October 22 2017 Mass was celebrated in the Chapel of the Immaculate Conception in Seton Hall in commemoration of the Feast of our patron saint and founder, St. John Paul II. A reception followed the Mass attended by members of CAPP USA and special thanks were offered to Father John Ranieri, ecclesiastical assistant for Newark, for organising the Mass and reception and for his excellent homily.

The 11th "Certificate Course on the Social Doctrine of the Church" took place from October 29 to November 3, 2017. Co-sponsored with the *Catholic University of America*, this week-long master course has an excellent faculty that in recent years has prepared more than 100 graduates. Fourteen students attended this year from all over the United States. The course is still the main programme of CAPP USA, and introduces graduates to the principles of the Church's teaching in matters of social

doctrine, inspiring its implementation. Graduates of this year's course are already putting into practice the principles of Catholic social doctrine in their own environments.

In July 2017, the President of the US Bishops Conference (USCCB), Cardinal Daniel Di Nardo accepted the request made through Cardinal Domenico Calcagno, to appoint Cardinal Archbishop of Newark Joseph W. Tobin as the National Ecclesiastical Assistant for the United States alongside Cardinal Theodore McCarrick with the right to succeed him.

Among the activities not organised by local groups mention should be made of the Secretary General's participation on 31 January 2017 at the conference organised by Bosch on "Technology and the world of work". He was also invited to speak at the conference organised by the Royal Society for the Encouragement of Arts, Manufactures and Commerce on the topic *Culture as mediator and facilitator of international relations in the digital age* held on November 24 at the French Consulate in Edinburgh.

During 2017 indications of appreciation of the work of the Foundation were received from the Secretary of State, Cardinal Pietro Parolin on April 10, 2017, from the Secretary for Relations with States Archbishop Paul R. Gallagher, dated respectively April 10, 2017 and May 13, 2017 and from the President of the US Episcopal Conference and Archbishop of Galveston-Houston, Cardinal Daniel Di Nardo dated July 1, 2017. (the letters are attached to this Report).

Accounting Criteria

These have remained unchanged in 2017 compared to the previous year. Reference is made to the main criteria and accounting principles used in the preparation of the Foundation's budget as of December 31, 2017: i) items are identified using the accrual-based principle; ii) the postulates indicated by the Secretariat for the Economy have been met, including the postulate of relevance and faithful interpretation; iii) all assets and investments are recognised on the basis of guidelines established and published by the Secretariat for the Economy. In particular, financial activities entailing shares, have been designated as "financial activities available for sale". Hence the profits or losses resulting from exchange value between book value and market value as of 31.12.2017 are recognised as net worth. When financial activity is annulled due to the disposal of shares, the profits or losses accumulated up to the time of the sale, are recognised in the income statement. When there is objective evidence that the activity has continued to lose value, which the Board judges to be significant, then the loss recognised directly in equity, is reversed and identified in the income statement even though the financial activity has not been eliminated. By following these principles, evaluation of securities at market value at year-end generated a reserve adjustment value that amounted at the end of the year under review to € 188,946.14:

Reserve for share value at 31.12.2016: € 403,509.14

Reserve for share value at 31.12.2017: € 188,946.14

BALANCE SHEET

Debit side

Net worth and endowments as at 31.12.2017 show an amount of € 5,635,379.68 against the previous year's value of € 5,849,891.78. This amount includes, in accordance with the accounting standards set by the Secretariat for the Economy, the reserve securities revaluation, as mentioned above, at € 188,946.14. Three further items contribute: 1) relative to founding members which is equal to €

4,032,708.95; 2) denominated *Ordinary Members for endowment* who contributed to an increase in assets by €1,096,980.66 and 3) Reserve to support the activities of the Apostolic See which amounts to 106,693.03.

It should be noted that this reserve which is available to support the activities of the Apostolic See, as mentioned above, records a value of € 106,693.03 as of 31.12.2017, against a value of € 103,973.08 at the end of 2016. The difference is equal to what of €212,719.95 profit registered on 31.12.2016 was allocated to reserve after the Board of Directors on 3 March 2017 decided to transfer € 210,000.00 to the Secretariat of State for the Holy Father's charitable works.

On 31/12/2017, as at the end of last year, all the assets of the Foundation were fully deposited with APSA.

At the end of 2017, for the purpose of evaluating in Euro all securities denominated in other currencies and cash, the following exchanges were adopted:

- 1 Euro = 1.19930 US Dollar
- 1 Euro = 0.88723 Pounds Sterling
- 1 Euro = 1.17020 Swiss Francs

INCOME STATEMENT

Expenses

The total costs for the year were € 510,440.37 against € 450,848.87 of the previous year. This total includes the appropriation of € 25,000.00 to the Economy and Society Award and the outlay of € 30,000.00 as a donation towards the Voluntary Solidarity Fund International; the latter item was not present in the 2016 financial statement.

Operating Expenses accounted for € 217,327.41 against € 213,801.74 the previous year showing substantial stability even if increased.

Non Operating Expenses amounted to €293,112.96. They had been € 237,047.

Revenues

The item was shared between:

1. revenues from institutional activities
2. revenues from financial activities
3. revenues from other activities

Revenues from institutional activities

Revenues from institutional activities including fees from ordinary members, supporting members, patrons and founding members who are not required to pay annual fees but still wished to contribute to the 2017 yearly instalment.

Break down of revenues is as follows:

	2017	2016
Ordinary Members	125,520.00	84,830.00
CAPP USA	7,553.25	6,949.74
Supporting Members	18,900.00	35,000.00
Patrons	17,900.00	42,500.00
Other	11,900.00	-----
TOTAL	181,773.25	169,279.74

In 2017 the amount relative to investment, net of the amount paid by USA CAPP, is as unbundled:

- Membership fees for the year were € 125,520.00 compared to € 84,830.00 in 2016.
- Amounts from Supporting members in 2017 were € 18,900.00 against €35,000.00 in 2016.
- Patrons contributed €17,900.00 against €42,500.00 for the previous year

Revenues from financial activities:

These refer to receipts of coupons, dividends and accrued interest on stocks in the accounts. These amounted to €160,421.38 in 2017 compared to €182,252.10 in 2016 and show the continuing fall in interest rates, dividends and the change in the composition of the portfolio during the year while in the same year, interest on deposits amounted to € 579.90 while dividends and coupons amounted to € 159,841.48.

Other revenues

In line with market expectations, the year saw a total of € 378,296.64 compared to €312,036.98 in 2016. Details are as follows:

- Dividends on securities trading in Euro: totalled €90,349.93 (€75,032.56 in 2016)
- Dividends on securities trading in US dollars: were €145,221.02 (€100,189.69 in 2016)
- Dividends on trading in Swiss Francs: we have not done securities trading in this currency (€ 13,638.98 in 2016)
- Exchange Dividends: refer to the Advisory accounts and handling of securities during the year. These amounted to €1,601.60 (€ 2,686.65 in 2016)
- Fees collected for conventions totalled €111,500.90 (€ 98,398.00 in 2016). The amount includes the contribution of €15,000.00 to the costs of the International Conference in May 2017 given by the Società Cattolica Assicurazioni in support of the Foundation, and €8,000.00 paid by the Compagnia di San Paolo for the Turin Conference.
- Sale of emblems and books produced € 613.26 (€ 1,525.00 in 2016).
- Registration fees for the Masters: revenues amounted to €10,700.00 (€15,800.00 in 2016). For the next editions of the courses, a different formula is being studied which would be partly residential and partly online to increase the number of participants at these courses.
- Windfall income amounted to € 18,309.92 (€4,766.10 in 2016). The difference is due to the amount entered in 2016 under the item "payable" as a result of the uncertain starting date for the employment of personnel in the General Secretariat pending the necessary authorisations.

RESULTS OF BUDGET MANAGEMENT

The fiscal year profit amounted to € 210,050.90 in 2017 against € 212,719.95 in 2016. The result in 2017 shows a greater improvement than foreseen in the initial budget (€150,500.00). Among the elements which contributed substantially to the improved results compared to the budget: the item gross profit on trading securities which amounted to € 235,570.95 against €135,000.00 which was forecast and the increase of revenues from institutional activities (dues).

Chairman proposes to allocate 2017 profit in the amount of € 210,000.00 to Activities of the Apostolic See and for the remaining € 50,90 to *Support to the Activity of the Apostolic See Reserve*. The latter after this contribution, will be equal to € 106,743.93.

The Board approves unanimously.

Vatican City, March 2, 2018

The Secretary General

Eutimio Tiliacos

For the Board of Directors

The Chairman

Domingo Sugranyes Bickel