



Duchesne Trust

Annual Report and Accounts In Euro

31 December 2020

Charity Registration Number 288467

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Reference and Administrative Details of the Group

Contact & Registered Office

Sister Bernadette Porter
9 Bute Gardens
London
W6 7DR
Tel: 0208 741 4688
Email: econgen@rscjroma.org
Website: www.societysacredheart.org.uk

Trustees

Sister Barbara Dawson - Chair
Sister Marie-Jeanne Elonga
Sister Monica Esquivel
Sister Isabelle Lagneau
Sister Bernadette Porter

Auditors

Haines Watts, Chartered Accountants
Old Station House
Station Approach
Newport Street
Swindon
SN1 3DU

Financial Advisor

Mark Freeman & Associates
71-75 Sheldon Street
Covent Garden
London WC2H 9JQ

Investment Managers & Custodian

Investment Managers

BNY Mellon Wealth Management
200 Park Avenue
New York, NY 10166
United States of America

Credit Suisse (UK) Limited
One Cabot Square
London E14 4QJ

Goldman Sachs International
River Court
120 Fleet Street
London EC4A 2BE

Investec Wealth & Investment Limited
30 Gresham Street
London EC2V 7QN

Schroders & Co Limited
12 Moorgate
London EC2R 6DA

Waverton Investment Management
16 Babmaes Street
London SW1Y 6AH

Custodian

BNY Mellon Wealth Management
160 Queen Victoria Street
6th Floor
London EC4V 4LA

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Trustees' Report including Strategic Report

The trustees present their report and the audited financial statements of the group for the period ended 31 December 2020. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the group.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014.

Aim (Objects) and Purpose

Governance

The Duchesne Trust (the Trust) is regulated by a Trust Deed dated 14 December 1983. The Trust is registered with the Charity Commission for England and Wales - Charity Registration No: 288467.

Principal Aims

The trustees of the Duchesne Trust aim to promote the charitable work carried out or supported by the members of the Roman Catholic Religious Order, the Society of the Sacred Heart. When setting the objectives and planning the work of the charity for the year, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary guidance on the advancement of religion.

Objectives and Strategies

Charitable Objective

The Trust exists to promote any of the charitable works carried out, or supported by, the Roman Catholic Religious Congregation known as the Society of the Sacred Heart (the Society). Specifically, it funds activities associated with:

- The worldwide administration of the Society, through members of the Generalate supporting provinces and communities of the Congregation, in order to provide leadership and to strengthen the charism and ethos of the group
- The administration of a fund for solidarity, where projects involving members of the Congregation support and educate vulnerable groups who live in poverty. This is often directed towards women and children who lack the basic necessities of life. The administration of a fund which will ensure the sustainability of the life and mission of the Society into the future.
- Aid to some provinces of the Society to support their own costs for formation, international service, eldercare or capital projects.

Short Term Strategies

During 2021, the Duchesne Trust will continue to support the charitable activities of the members in a worldwide context. Due to the COVID-19 global pandemic, which has affected the world since late 2019 and throughout 2020, the future is currently uncertain. One of the

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implications of the global pandemic was the postponement of a Special General Chapter which was expected to be held in February 2021, to November 2021. During 2020 and into 2021, the Society continues to prepare for this Special Chapter.

This Chapter will address two decisions, taken at the General Chapter in 2016:

1. **Sharing Resources:** To study, develop and implement a fund, or other new and effective ways, to allow the sharing of the Society's resources, especially financial resources, in order to sustain the life and mission for the future (of the Society).
2. **Ways of Organising Ourselves:** To facilitate an urgent discernment in the whole Society so that we may reconfigure our structures, so that it be more agile and dynamic and for the sake of life and Mission.

Long Term Strategies

In the long term, the Duchesne Trust will continue to support the charitable activities of the members of the Society. The current leadership team, who are halfway through their mandated term from 2016 – 2024, continue to work on implementing the decisions of the General Chapter 2016, two of which are the focus of the Special General Chapter in 2021 (and which are outlined above), and the third which is:

- All members of the Society will learn English during the early stages of initial formation, and native English speakers will learn another language of the Congregation

The 2016 Chapter also made the following recommendations, which are also the focus of the current leadership team:

- To review the Solidarity Fund and explore other funds for apostolic development.
- To study and encourage the exchange of personnel according to the needs of our life and mission.
- To update our philosophy of education, with an emphasis on humanisation.
- To develop, articulate and disseminate an international formation to mission programme.
- Form an international commission for vocation ministry.
- To develop an international service of volunteers as part of our common mission.
- To develop significant justice, peace and integrity of creation actions at personal, provincial and international levels.

Structure and Management

Organisation

The trustees have the final responsibility for the policies, activities and assets of the Trust. They meet annually to review developments with regard to the Trust and to make significant decisions. The day-to-day management of the Trust's activities and the implementation of policies are delegated to:

- the trustees who are nominated by the Superior General,
- the appropriate senior staff.

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Trustees

The trustees who served during the year are shown on page 3. New trustees are appointed by the Superior General under Clause 14 of the Trust Deed. There shall at no time be fewer than four trustees who shall be members of the International Congregation. All new trustees are taken through a process of making them aware of their responsibilities as trustees of a UK Charity as well as what it means to be a trustee by fellow trustees that are on the Board of Trustees.

Volunteers

The administration of the Trust is done on a voluntary basis by members of the Society of the Sacred Heart. The trustees wish to record their appreciation of this work.

Relevant Policies

Donations and grant making policy

During the 12 months to 31 December 2020, funds have been used to further the charitable works that are particularly relevant to the work of education and social justice. The criteria for the use of these funds are that the work undertaken or supported must demonstrate a commitment to:

- promote justice in faith and the welfare of the deprived and marginalised;
- promote the welfare of young people;
- enable the disadvantaged to become self-reliant;
- education in both formal and informal contexts.

Risk management

The trustees are assessing the major risks to which the group is exposed during 2020, in particular those relating to the specific operational areas of the group, its investments and its finances. The trustees believe that by monitoring reserve levels, by ensuring controls exist over key financial systems, and by examining the operational and business risks faced by the group, they have established effective systems to mitigate those risks.

Reserves policy

The trustees have examined the requirement for free reserves, i.e. those unrestricted funds not invested in tangible fixed assets. The trustees consider that given the nature of the group's work and its ability to satisfy future liabilities as they fall due that there is no need for free reserves and at present there are none. At the year-end €74.5 million are held in designated funds. Further details of these are set out in note 14.

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Investment Policy

The group has total fixed asset investments, including social investments, of €138.7 million as at 31 December 2020 (2019: €122.4 million). During 2020 the investment policy and investment managers were reviewed and the Trust maintained the strategy inline with its current and future requirements and adopted the investment objectives as stated:

- a) To preserve capital in real terms based on the Society's annual inflation rate determined by the inflation rate proportionally by the expenditure rate in the countries it operates in.
- b) To draw down €2.3 million in cash per annum.
- c) To grow the capital over a period of 5 years by 1% or more.

The above investment policy came into place on the 1 July 2011 and revised in 2016. The results for the past 12 months to 31 December 2020 indicate that the objectives have been met and since inception all objectives have been achieved. The overall real return since the implementation of the new investment policy has been a cumulative increase of 59% (2019:47%) in the investments after accounting for inflation as defined by the Society.

In early 2021 the Trust reviewed the investment strategy to ensure that post Covid it was still appropriate. During this review the impact of Covid and the volatility of the markets were considered, as well as the growing cash flow requirements for funding within the Society. The review indicated that the Trust would require a real return in excess of 6.5% per annum to meet the cash flow requirements as well as preserving the capital. As a result the asset allocation was changed to facilitate higher returns with less volatility and a minor reduction in liquidity. Over the next 5 years the approved asset allocation will be implemented. Expected returns are anticipated to be approximately 5.5% resulting in a short fall of 1.0% per annum. The short fall of returns will be taken in the from the excess returns since 2011.

A designated representative of the trustees meets formally with the investment advisor and the fund managers twice a year. This designated representative and the investment advisor meets regularly and communicates as and when required throughout the year. In keeping with charity law, the investment strategy is to maximise total returns, income and capital, within acceptable levels of risk.

The investments have restrictions placed upon them as to the type of investments that the Trust would or would not want to invest in. The ethical investment policy was reviewed during the year and appropriate changes were made which also took into account the changing investment environment.

Specifically the Trust seeks to invest in companies which:

- Make a positive contribution to society
- Conserve energy and natural resources
- Have high employee welfare and equal opportunities records
- Provide high quality products and services of long term benefit to the community

The Society would not wish to invest in companies which:

- Produce and distribute arms, landmines and other products which destroy life
- Produce and distribute pornographic material

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- Engage in irresponsible environmental practices
- Actively support governmental regimes with oppressive human rights policies

The Trust has also developed additional ethical policies where it felt further guidance and understanding is required due to the complex nature of the type of companies or global investments it invests in. No ethical restrictions apply other than those set out above, although the Trustees reserves the right to exclude any investments in companies whose representation might prove damaging, directly or indirectly, to the purposes or reputation of the group.

The Trust has Social Investment amounting to €701,700 (2019: €764,642). The decline in value was due to foreign currency not a result on any loss on the investments.

Financial Review

A summary of the year's results for the group can be found on page 26 of the attached accounts. For the period of 12 months ending 31 December 2020:

- the total income was €12 million (2019 - €12.7 million) comprising mainly donations and investment income;
- total expenditure amounted to €6.9 million (2019 - €5.4 million) of which €5.6 million (2019 - €4.4 million) comprised donations to the Society of the Sacred Heart internationally.

Financial position

The balance sheet shows total reserves as at 31 December 2020 of €120 million (2019 - €110 million).

The group's assets

Acquisitions and disposals of fixed assets during the year are recorded in the note to the accounts.

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Current Year Activities and Future Trends

Review of Charitable Activities 2020 and Summary of Achievements

During the 12 months to 31 December 2020, the group continued to assist the members of the Society of the Sacred Heart with their charitable work, with a particular focus on education. Details for specific areas within the Society are outlined below:

Work of the General Council

The Duchesne Trust provides donations to the Motherhouse to support the work of the Generalate, which includes the work of the leadership team (General Council), as well as international services of the Society of the Sacred Heart. In 2020 funding of €1.5 million was provided from the Duchesne Trust as "Donations to the Mother House". An additional €1 million was provided within the year for future commitments.

During 2020, the General Council continued to work on their mandate, including the implementation of the General Chapter 2016. The General Council spent the first two months of 2020 on formal visits to provincess in the Philippine Duchesne (North and Latin America) Region. The Council visited Brazil, Colombia and Venezuela before cutting short their visit as a result of the global Covid-19 pandemic.



Central Team with the Province of Brazil



Central Team with Sisters from the Province of Colombia

On their return to Rome, the General Council continued to work from Rome but with a different rhythm with more time to deepen certain subjects and more time for contacts with the provincess through virtual sharing, e-mails or telephone. Technology has allowed the members of the leadership to be in union with the whole Society, joining celebrations or meetings organized by Zoom or other online technology.

In May, the General Council made the decision to postpone the date of the Special Chapter which was expected to be held in February 2021, to November 2021.

Specific Tasks Undertaken During 2020:

- Formal visits to Philippine Duchesne Region: January – March 2020;
- Completion of a Mental Models Workshop;
- Review of the administration function of the Mother House working with a specialist in human

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resources and organisation;

- Appointment of a new probation team supporting sisters in the probation process to prepare for final profession;
- Reconfiguration of the novitiates within the different regions of the Society;
- Supporting provinces dealing with the impact of Covid-19 through the implementation of the Cor Unum Covid Fund, organisation of those involved in education in the Philippine Duchesne Region, as well as personal support to Provincials;
- Reflection and approval of a new canon law structure (District) within Indonesia;
- Appointment of new local leaders (Provincials) within Korea, Australia - New Zealand, Mexico, Colombia, Venezuela, Belgium-France-Netherlands, Spain, Malta, Poland, Democratic Republic of Congo – Chad and Brazil.
- Planning for the Assembly of Provincials, December 2021.

The Treasurer General assists the General Council with the stewardship of the financial resources of the Society. During 2020, the Treasurer General organised online meetings with the Treasurers from each Region, as planned meetings in person were not possible as a result of the global COVID-19 pandemic. These meetings provided support to local finance personnel, as well as an opportunity to discuss the financial impact of the pandemic on daily life within the Society. The International Finance Commission and International Investment Committee both met online as part of their roles in supporting the finances of the international Society.



Some Meetings of Regional Treasurers via Zoom

The Treasurer General also continued to provide support to the Province of Italy as part of her responsibility as Canonical Treasurer of Italy. Part of this role included representation of the

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Society in the project to develop the Villa Lante, a historical property owned by the Province of Italy, into a Centre for Religious and Lay Formation. This centre will become a resource for the international Society providing a location for annual formation courses (e.g. probation and renewal) as well as providing a programme of formation for those connected to the family of the Sacred Heart.



Development of the Villa Lante, Rome, Italy

In 2020, the General Council created a new position within the administrative structure of the Congregation of Chief Financial Officer (CFO). The CFO was appointed in September 2020 to support the work of the Treasurer General in the stewardship and administration of the financial resources of the Society.

The Assistant to the Treasurer General has visited a significant number of solidarity projects throughout the regions of the Society in order to develop an understanding and critique of the Solidarity Fund which she administers. Visits to Solidarity Projects were not possible in 2020 as a result of the COVID-19 global pandemic, which limited travel. However, in early 2020 she travelled to France to meet with groups connected with volunteers within Europe as part of her role as chair of the Volunteers Commission.

The General Archives continued to respond to request from both within and outside the Society during 2020, as well as continuing to ensure the appropriate storage and recording of important documents for the Society. During the year, a special project to scan the letters from the founder of the Society, St. Madeleine Sophie, continued. This significant piece of history for the Society will be made available online in the future.



Meeting of General Archivist and Novices via Zoom

In her role as General Archivist, Margaret Phelan RSCJ gave a presentation on the history of the Mater Admirabilis (the 1844 fresco of the Mater inside the monastery of Trinità dei Monti) to the novices and novices-to-be within the Society in October 2020. This important formation gave the opportunity for possible future members to understand a valuable part of the history of the Society.

During 2020, there was a focus within the Society to translate the four imperatives of the Society's Justice, Peace and Integrity of Creation (JPIC)

document 'Artisans of Hope in our Blessed and Broken World' into practice. A JPIC International Strategic Plan was implemented in July 2020, developing the JPIC structure into a new format,

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with three core bodies: JPIC Coordination (connecting JPIC within the Society), the JPIC Learning Hub (provision of information) and the UN-NGO (Advocacy). There was also extensive work undertaken on the JPIC database, with Society members uploading their local JPIC activities from around the world as well as expanding the database to a wider audience, including work on translation into a Spanish version.

In 2021, the JPIC international team will continue to build three transformative communities of practice (TCoPs), which are the expression of the work of the Society on the ground, designed around the imperatives of the JPIC document (power, people on the move, and popular education). These TCoPs require regular online meetings to explore, share, embody and reach a transformation in the consciousness of the TCoP members.

The International Communication Team (ICT) had its annual face to face meeting in Rome in January 2020. They met with the General Council to discuss their progress as well as to review future plans. During 2020, the ICT continued to focus on building the network of links within the Society and the communications training program. In September 2020, a Communications Manager was appointed by the General Council to continue the work of the ICT, to support the communications of the international Society. In October 2020, the outgoing Webweaver, held a meeting with the weblinks from all of the provinces around the world to discuss the international website as part of an initial phase of a project to develop and improve the website.

During 2018 a series of Committees were established within the Society to address the recommendations of General Chapter 2016. During 2020, there were only two meetings in person of these committees as a result of the COVID-19 global pandemic. The International Education Committee met in January in Rome and the International Vocation Committee in New York during the same month. The other committees met during the year using online facilities, to discuss progress in their work.

The International Education Committee focuses on three major areas:

- Contemporary philosophy of Sacred Heart education with an emphasis on humanisation.
- International Formation to Mission Program for Educators of the Family of the Sacred Heart.
- Analysis of structures of relationships and accountability of educational institutions (formal and non-formal) to the Society

As part of this work, the Committee has written an initial draft of a profile of a Sacred Heart educator and have outlined a framework for the philosophy of education. To enrich both of these they are engaged in two different tasks: the study of foundational documents and the participation in regional and provincial (virtual) gatherings, some of which took place during 2020, with others planned for 2021. In preparation for the Special Chapter, 2021 this committee is also analysing provinces by provinces the structural relationships between educational institutions (formal and non-formal) to the Society with the view of suggesting models of accountability and relationships.

The International Vocation Committee have been in contact with those in charge and/or the Vocation Ministry Teams in each of the regions through email, Skype or Zoom during the year (2020). Vocation Ministry Teams and the RSCJ have developed different courses, workshops and materials for accompaniment, discernment, vocation promotion and retreats and are in the process of creating a virtual library for youth work and vocation promotion

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The Committee on International Volunteers is working to develop a more systemic approach to international volunteers within the Society. In coordination with the Webweaver, during 2020, the Committee developed a new volunteers section within the international web page. They also established some general policies for volunteer work as well as offering assistance to develop the international volunteer program and taking the initiative to exchange experiences and ideas among the link persons of several provinces within the Society. Going forward, the committee will work in conjunction and synergy with other international committees.

The Ongoing Formation Commission suspended the two renewal programs planned in 2020 for sisters from 55 to 65 and from 65 to 75 years of age. The members of the commission met virtually during 2020 to explore other ongoing formation needs and possibilities.

Solidarity Fund, 2020

The Solidarity Fund is a designated fund used within the Society to provide funding to projects around the world. It provides the Society with an opportunity to foster its co-responsibility for the educative dimension of its mission and share it with the people they are close to. It follows the calls of both Chapter 2008 and Chapter 2016 and the desire to live justice, peace, and the integrity of creation in our world today. The fund is administered from the Generalate annually according to published criteria.

As a result of the COVID-19 pandemic, many projects that received Solidarity Funds last year (2019) had to change their project's purpose and sought permission from the General Council to change the use of the funds or to extend the time period in which the funds can be used.

In 2020, funding of €240,245 was provided to 23 projects around the world. The projects included the following:

- Poland: Providing support to a newly opened Center of Artistic and Spiritual Development, that helps young people who have completed rehabilitation therapy of addiction in Legionowo.
- Democratic Republic of Congo: Purchase of a water pump for the nursery school, community and the neighbourhood where drinking water needs to be purchased in Righini, Kinshasa and supporting a project to help women from low income families to introduce bee keeping and honey production to generate income for the family by protecting the ecosystem in Kinshasa.
- Kenya: Supporting a HIV/AIDS and health programmes reaching 2000 residents through free monthly screening for 700 adults for HIV/AIDS, diabetes and hypertension through outreach programmes, counselling, educative forums, school uniforms to children orphaned by HIV/AIDS, training for community health volunteers, etc. in Chekalini, Kenya.
- India: Providing equipment and resources for the one-year postgraduate program in mass communications run by the Social Communications Media Department of Sophia Polytechnic, Mumbai. The program is focused on the following aspects: Gender, Inequality, Environment and Active citizenship.
- Cuba: Support of a joint project of the RSCJ and the diocese to care for the needy elderly in Sancti Spiritus, Cuba through the repair of the local diocesan community centre, providing a place for socialisation, guidance and help in feeding and washing clothes as well as accompaniment for families.
- Brazil: A project to provide free education to young people impacted by the Coronavirus

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pandemic who need training and to compete for the national certifications required for access to universities in Rio de Janeiro.

Aid to provinces

During the year to 31 December 2020 the Society provided aid to some provinces who cannot afford their own costs for formation, international service, eldercare or capital projects.

Gross donations for Ordinary Help of €312,282 were provided to support the provinces of Chad, Egypt, Uganda/Kenya, the Democratic Republic of Congo, Taiwan, Vietnam, Poland and Venezuela, to support their mission. These funds are used to support the daily lives of sisters, the provision of healthcare for sisters, support for regional or international meetings and development of a mission area.

For example, in Poland sisters who reach retirement age are not provided with a pension which is sufficient for their daily living expenses. Funding is provided to support the living costs of these sisters. In Venezuela, funding is provided to support the communities of RSCJ who are impacted by severely high inflation rates, particularly for health care. In February 2020, the provincials and formators of the Region of Africa met to reflect on various aspects of formation and ministry in the Region, and to plan ways of developing collaboration and communication within the Region. Financial support was also provided to the Democratic Republic of Congo to provide facilitation services for their local assemblies during 2020



Meeting of provincials and formators of the Region of Africa

Total “Extraordinary Aid” of €1,138,018 during 2020. This included support of Provinces for capital projects, including renovations and capital expenses for vehicles and equipment, as well as support from the Cor Unum COVID-19 Fund and additional support to Democratic Republic of Congo for solar energy systems (details of which are included later on in this report).

In Uganda / Kenya work finished in September 2020 on the construction of the Sophie Barat Home for elder sisters in the Province. This care home on the site of the novitiate, provides a new community for those sisters who require additional care within the provinces. In a letter to the Treasurer General in September 2020, the Provincial of Uganda / Kenya Sr. Anamaria Nankusu wrote:

“We thank you so much for giving us this home, a home where all of us will end our days here on earth if we will live to the righteous age. I am so happy to know that we have a home where the sisters will have time and space to carry out our mission of prayer for the Society and the World. It will also be a place for pastoral work for our young sisters in novitiate and others.”

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Inspection and Handover of the Sophie Barat Home for elder sisters, Uganda / Kenya

In the Democratic Republic of Congo, work began in late 2020 on the construction of a care home for aged and infirm sisters. The property to be developed will also provide accommodation for students from a local university, thereby generating income to support the expenditure for the whole property. The project is envisaged to take one year although during 2020 there were some delays as a result of the COVID-19 global pandemic.



First meeting & Site Inspection for the Care Home for aged and infirm Sisters, DRC

At the end of 2020, a donation of \$261,000 was made to Democratic Republic of Congo (DRC) for solar energy systems for community and ministry properties. While internet access is available, the connection is often interrupted as a result of the electricity supply. The installation of solar systems will therefore not only provide a more reliable source of power for light and heat, but will also support the communications infrastructure within the province, allowing members to connect to others within the Society.

Total expenditure on “Training” of Sisters of €133,053, which supported the education of Sisters from Uganda, Kenya, Democratic Republic of Congo, Indonesia and Chad. For example, in Indonesia funding was provided to support those in formation within the Province. The expenses include tertianship studies, formation programmes, inter-congregational courses, ministry experience and other related costs for those in initial formation (those who have not yet made vows).

During 2020, support was also provided to 12 sisters from Uganda / Kenya, the Philippines, India and Democratic Republic of Congo to attend an online course “Basic Project Management and Fundraising”, provided online by PRISMA, the Claretian Project Training Platform. This course

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aims to support those who work directly in projects or those in leadership to address the issues related to the decrease of traditional sources of funding and emergence of new mission territories demanding financial resources. In 2021 the Assistant to the Treasurer General completed the "Advanced Project management and Fundraising" course and an additional 18 members and 4 collaborators will attend the basic course in Spanish from a further seven provinces.

Gross "Other Charitable Donations" of €343,607 were made during the year. In addition to the above, to support the work in Uganda / Kenya, Brazil, Egypt and the Democratic Republic of Congo. These donations include support for ministries and schools, as well as extraordinary donations responding to the initial emergency related to COVID-19. In addition to the above amount, there were commitments of €1,032,705 related to the aged care projects in Uganda/ Kenya and Democratic Republic of Congo (detailed previously in this report)

Covid-19 Global Pandemic

The COVID-19 global pandemic had a significant effect on life within the Society in 2020. The Superior General wrote in a letter to the Society on 23 March "The world has changed in the last week; it has mobilized all of us and the daily life of everyone is deeply shaken. We have heard from many provinces and each one is taking the necessary steps to deal with this unprecedented situation, particularly in the care of our elder sisters."

As the pandemic extended throughout the year and while governments approached it in different ways, the charitable activities and daily lives of the members were affected in each province. Ministries and projects had to close or reorganise to operate in a new way, schools moved lessons online and meetings became more regular on Zoom rather than face to face as travel became impossible. There was also a significant impact in relation to managing the finances within the Society, including challenges in distributing funds to local communities as well as a decrease in income from loss of salaries, loss of schools income and decreasing interest rates.

Cor Unum Covid Fund

After listening to the needs of the provinces around the globe, the General Council decided with the Treasurer General to launch a new fund for use in Society ministries to aid those profoundly affected by COVID-19. Through the generosity of donations from provinces, as well as a small contribution from Generalate funds the Cor Unum COVID-19 Fund was created in June 2020.

Funds were distributed twice during the year. Firstly during the summer supporting larger projects for the reopening of schools or ministries or smaller projects to help provinces who changed the way that they providing services as a result of COVID-19. A second round of funding was distributed in November for projects for alternative income generation (e.g. retraining) and projects focusing on JPIC or climate change.

There was a wonderful response to this call for solidarity within the Society. During the first round of funding seven provinces received funds totalling \$470,000 which supported more than 20 projects across 11 countries. During the second round of funding, six provinces received funds of \$357,000 for 25 projects across 9 countries. Examples of the projects included:

- Haiti: Support of the staff and students of the Simón Bolívar Educational Center in Balan, Haiti through the provision of food for families and payment of salaries for teaching staff.
- Venezuela: Assistance to the students in the communities of El Peñón (Cumaná) and Coche (Caracas) to support them with new forms of distance learning with the provision of equipment and internet access.

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- Uganda/Kenya: Working with the health care ministries in Moroto (Uganda) and Chekalini (Kenya) to establish projects to strengthen the knowledge on prevention of COVID-19 in the communities of the vulnerable population.
- Peru: Creating a virtual platform that facilitates communication and the pedagogical work of teachers in the public institutions of the Society in Peru through the provision of a Zoom licence for institutions for one year, 5 laptops for teachers and assistance for internet access for students.
- Democratic Republic of Congo: Provision of protective equipment against Covid-19 and improvement of the water supply by renewing the pipes in the health care centre in Kipako.
- Egypt: Support for 80 girls living in an orphanage in Cairo, to pay for school fees, equipment and internet connection to allow online learning and food.
- Philippines: Supporting a project to plant different varieties of bamboo, including the giant bamboo, along the riverbanks of the Marikina watershed system in the Philippines. This will provide food, fuel and materials besides the beneficial effects on river bank stabilization and the climate.
- Kenya: Micro-business training for school staff and parents of the school in Kibera, Nairobi who have lost their jobs as a result of the pandemic.
- India: Support of an organic farming project in Bhokar to provide training to local farmers, set up compost bins in local villages, cultivate organic vegetables (including employment of local women) and install solar panels.
- Indonesia: Development of land of the local parish in Bandung, Indonesia, working with the local parishioners to grow food for their families, encourage the growth of self-esteem and prepare the infrastructure for appropriate land management.
- Chad: Start-up of a vegetable garden project to provide food to a local community in N'Djamena including drilling for boreholes to supply water (apostolic service project), help with the construction and repair of houses for disaster victims (in the case of the floods in Bongor and N'Djamena) and the installation of solar panels.

Future Trends

Due to the COVID-19 global pandemic, which has affected the world during since late 2019 the future is currently uncertain. One of the implications of the global pandemic was the postponement of a Special General Chapter which was expected to be held in February 2021, to November 2021. During 2021, the Society continues to prepare for this Special Chapter and the decisions of the General Chapter 2016 specifically through:

- Delegates to the Special Chapter's participation in communities of discernment. These small groups, who will meet via Zoom, will prepare for the process and issues of the Special Chapter.
- Meetings of each Committee and Commission within the Society to prepare short documents used for the preparation of the Special Chapter.
- Creation of three new committees: Preparation, Design and Models Committee to assist in the preparation and organisation of the Special Chapter
- Virtual visits of the General Council via Zoom to the three provinces in the Philippine

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Duchesne Region, which were cancelled in 2020 as a result of the pandemic.

- Continued support to provinces of funding from the new Cor Unum COVID-19 fund.
- Ongoing financial support to provinces through Ordinary Help, Formation and Extraordinary donations.
- Solidarity Fund 2021, support of projects involving members of the Congregation to support and education vulnerable groups who live in poverty.

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Reports from provinces on Projects

The beginning of Sophie Barat Community, Province of Uganda & Kenya

By Sr Rose Banura

Sr. Annamaria Nankusu RSCJ, our provincial and Sr. Josephine Mbayira RSCJ, the Provincial Bursar, came to Mbikko on August 31, 2020, for the official handover of the recently constructed Sophie Barat House. Mr. Rogers Mukalazi, the architect, Mr. William Kalule, the contractor, were present and several other workers. Sisters Pricillian Kampame and Jo Wright, from the Novitiate Community joined us the first members of the Sophie Barat Community: Teresa Aura, Rose Banura, Joan Isichi, Mary Kajubi and Nancy Koke. We also invited Fr. Joseph King MHM, the parish priest to lead us in a special prayer and blessing of the chapel.

During the prayer, he asked God to help us make our house a home by the way we cared for one another. As soon as Fr. Joe began the prayers for the blessing of the house, there was a huge downpour of rain that surprised everyone. Most of us thought it was a blessing from God and a sign of God's presence among us. In most parts of Uganda, we believe that when the rain comes down during a function, it delivers many blessings from God. Like a miracle from above, we were amazed to see that when the prayer was over the rain stopped instantly. We could not believe it! Fr. Joe then proceeded to bless our laid-out rooms in the house. We were all filled with joy and happiness to have a home that was well planned and accomplished with all the furnishings and good amenities therein. After the prayer, we celebrated God's gift to us in a new home of repose and rejuvenation. The high tea was kindly prepared by Mr. Kalule, the contractor as a sign of his appreciation of the trust we had in him to do such a great job for us.



The dream of building the house for our elderly and infirmed sisters began in 2000 from the Provincial Council of the time, and it was finally realized last year, 2020. We are forever grateful to our benefactors and friends and also deeply thankful to the General Council in the Mother House who supported us all the way through.

The Sophie Barat Community members entered the house and embarked on the invitation to form a loving community; supporting each other and reaching out to one another in love, faith, and charity. We have by now gotten used to our community's programmes and daily activities and we know that St Madeleine Sophie is always close to us, guiding and teaching us to live our lives in service and in love. We pray together and meet often in our living room to share our stories and relax together. Our ministry is basically praying for the Society and the world. We also help in the novitiate to give different classes and workshops to those interested in joining the Society.



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We are now furnishing the chapel with wooden crucifix which will be suspended above the altar. The tabernacle is in form of the world and the society logo. We love having our community prayer there and we know that God will grant us his graces as we break bread and listen to his word in this wonderful place of prayer. We are all very happy and grateful to God, the General Council and, the two Provincial Councils that worked throughout the realisation time of this project. We remain ever thankful to all our donors from the various parts of the world and the family of the Society of the Sacred Heart.

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Statement of Trustees' Responsibilities

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and of the incoming resources and application of resources of the group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed on behalf of the trustees by



Sister Bernadette Porter, Trustee

Approved by the trustees on 17 June 2021

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Independent Auditor's Report to the Trustees of Duchesne Trust

Opinion

We have audited the financial statements of Duchesne Trust (the 'parent charity') and controlled entities (the 'group') for the year ended 31 December 2020 which comprise the group Statement of Financial Activities, group and parent charity Balance Sheet, group and parent charity cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 December 2020, and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the parent charity's financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 18, the trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud and error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Group and the parent and the sector in which they operate. We determined that the following laws and regulations were most significant: The Charities Act and UK GAAP.
- We obtained an understanding of how the Group and the parent are complying with those legal and regulatory frameworks and made enquiries to the management of known or suspected instances of fraud and non-compliance with laws and regulations. We corroborated our enquiries through our review of board minutes, other relevant meeting minutes and review of correspondence with regulatory bodies.
- We assessed the susceptibility of the Group's and the parent Company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the audit team included:
 - Identifying and assessing the controls management has in place to prevent and detect fraud;
 - Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
 - Challenging assumptions and judgments made by management in its significant accounting estimates and judgments, particularly in relation to Province commitments.
 - Identifying and testing journal entries, in particular journal entries posted with unusual account combinations; and
 - Assessing the extent of compliance with the relevant laws and regulations.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations are from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusions.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Haines Watts

Haines Watts, Statutory Auditor
Old Station House
Station Approach
Newport Street
Swindon
SN1 3DU

Date 30 June 2021

Haines Watts is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

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Group Statement of Financial Activity (including income and expenditure accounts) as at 31 December (in €'000s)

| | Note | Unrestricted | Restricted | 2020 | 2019 |
|---|------|---------------|---------------|----------------|----------------|
| Income from: | | | | | |
| Donations | 2 | 457 | 10,343 | 10,800 | 11,338 |
| Investment | 3 | 794 | 373 | 1,167 | 1,362 |
| Other income | | 23 | 0 | 23 | 49 |
| Total income | | 1,274 | 10,716 | 11,990 | 12,749 |
| Expenditure on: | | | | | |
| Investment manager fees | | 611 | 288 | 899 | 732 |
| Supporting the charitable work of members of the Society of the Sacred Heart | 4 | 4,562 | 1,070 | 5,632 | 4,436 |
| Other costs | 5 | 340 | 0 | 340 | 272 |
| Total expenditure | | 5,513 | 1,358 | 6,871 | 5,440 |
| Realised & unrealised investment and foreign currency gains/(losses) on revaluation | | 3,491 | 1,644 | 5,135 | 10,405 |
| Net movement in funds | | (748) | 11,002 | 10,254 | 17,714 |
| Transfers | | (35,157) | 35,157 | 0 | 0 |
| Balances brought forward at 1 January | | 110,464 | 0 | 110,464 | 92,750 |
| Balance carried forward at 31 December | | 74,559 | 46,159 | 120,718 | 110,464 |

Income and expenditure derive from ongoing activities.

The statement of financial activities includes gains and losses recognised during the period.

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Charity Statement of Financial Activity (including income and expenditure accounts) as at 31 December (in €'000s)

| | Note | Unrestricted | Restricted | 2020 | 2019 |
|---|------|---------------|---------------|----------------|----------------|
| Income from: | | | | | |
| Donations | 2 | 479 | 10,343 | 10,822 | 11,323 |
| Investment | 3 | 794 | 373 | 1,167 | 1,362 |
| Other income | | 14 | 0 | 14 | 34 |
| Total income | | 1,287 | 10,716 | 12,003 | 12,719 |
| Expenditure on: | | | | | |
| Investment manager fees | | 611 | 288 | 899 | 732 |
| Supporting the charitable work of members of the Society of the Sacred Heart | 4 | 4,527 | 1,070 | 5,597 | 4,184 |
| Other costs | 5 | 340 | 0 | 340 | 272 |
| Total expenditure | | 5,478 | 1,358 | 6,836 | 5,188 |
| Realised & unrealised investment and foreign currency gains/(losses) on revaluation | | 3,493 | 1,644 | 5,137 | 10,405 |
| Net movement in funds | | (698) | 11,002 | 10,304 | 17,936 |
| Transfers | | (35,157) | 35,157 | 0 | 0 |
| Balances brought forward at 1 January | | 109,429 | 0 | 109,429 | 91,493 |
| Balance carried forward at 31 December | | 73,574 | 46,159 | 119,733 | 109,429 |

Income and expenditure derive from ongoing activities.

The statement of financial activities includes gains and losses recognised during the period.

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Group Balance Sheet as at 31 December (in €'000s)

| | Note | Unrestricted | Restricted | 2020 | 2019 |
|--|-----------|---------------|---------------|----------------|----------------|
| Fixed assets | | | | | |
| Fixed Assets | 9 | 862 | 0 | 862 | 999 |
| Social Investments | 10 | 702 | 0 | 702 | 765 |
| Investments | 11 | 91,855 | 46,159 | 138,014 | 121,667 |
| | | 92,557 | 46,159 | 138,716 | 122,432 |
| | | 93,419 | 46,159 | 139,578 | 123,431 |
| Current assets | | | | | |
| Debtors | 12 | 1,258 | 0 | 1,258 | 6,337 |
| Cash at bank | | 8,176 | 0 | 8,176 | 6,541 |
| | | 9,434 | 0 | 9,434 | 12,878 |
| Creditors | | | | | |
| Amounts falling due within one year (non-investment) | 13 | 3,455 | 0 | 3,455 | 1,884 |
| Amounts falling due within one year (investment) | 13 | 24,839 | 0 | 24,839 | 23,961 |
| | | 28,294 | 0 | 28,294 | 25,845 |
| Net current assets | | (18,860) | 0 | (18,860) | (12,967) |
| Total net assets | | 74,559 | 46,159 | 120,718 | 110,464 |
| Represented by: | 14, 15 | | | | |
| Restricted | | 0 | 46,159 | 46,159 | 0 |
| Unrestricted funds | | | | | |
| Designated funds | | 74,559 | 0 | 74,559 | 109,049 |
| General funds | | 0 | 0 | 0 | 1,415 |
| Total funds | | 74,559 | 46,159 | 120,718 | 110,464 |

Approved by the trustees on 17 June 2021 and signed

On their behalf by:

Bernadette Porter

Sister Bernadette Porter
Trustee

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Charity Balance Sheet as at 31 December (in €'000s)

| | Note | Unrestricted | Restricted | 2020 | 2019 |
|--|-----------|---------------|---------------|----------------|----------------|
| Fixed assets | | | | | |
| Fixed Assets | 9 | 0 | 0 | 0 | 0 |
| Social Investments | 10 | 702 | 0 | 702 | 765 |
| Investments | 11 | 91,855 | 46,159 | 138,014 | 121,667 |
| | | 92,557 | 46,159 | 138,716 | 122,432 |
| | | 92,557 | 46,159 | 138,716 | 122,432 |
| Current assets | | | | | |
| Debtors | 12 | 1,254 | 0 | 1,254 | 6,331 |
| Cash at bank | | 7,789 | 0 | 7,789 | 6,290 |
| | | 9,043 | 0 | 9,043 | 12,621 |
| Creditors | | | | | |
| Amounts falling due within one year (non-investment) | 13 | 3,187 | 0 | 3,187 | 1,663 |
| Amounts falling due within one year (investment) | 13 | 24,839 | 0 | 24,839 | 23,961 |
| | | 28,026 | 0 | 28,026 | 25,624 |
| Net current assets | | (18,983) | 0 | (18,983) | (13,003) |
| Total net assets | | 73,574 | 46,159 | 119,733 | 109,429 |
| Represented by: | | | | | |
| | 14, 15 | | | | |
| Restricted | | 0 | 46,159 | 46,159 | 0 |
| <u>Unrestricted funds</u> | | | | | |
| Designated funds | | 73,574 | 0 | 73,574 | 109,429 |
| General funds | | 0 | 0 | 0 | 0 |
| Total funds | | 73,574 | 46,159 | 119,733 | 109,429 |

Approved by the trustees on 17 June 2021 and signed

On their behalf by:

Bernadette Porter

Sister Bernadette Porter

Trustee

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Group Cash Flow Statement for the year ended 31 December (in €'000s)

| | Unrestricted | Restricted | 2020 | 2019 |
|--|--------------|----------------|----------------|-----------------|
| Net inflow/(outflow) from operating activities | (748) | 11,002 | 10,254 | 17,714 |
| (Decrease)/increase in creditors | 2,449 | 0 | 2,449 | 5,706 |
| Decrease/(increase) in debtors | 5,079 | 0 | 5,079 | 265 |
| Investment income | (794) | (373) | (1,167) | (1,362) |
| Net realised & unrealised investment and foreign currency gains/(losses) on revaluation on investments | (3,491) | (1,644) | (5,135) | (10,405) |
| Net Operating Surplus | 2,495 | 8,985 | 11,480 | 11,918 |
| Cash flow from investing activities | | | | |
| Investment income | 794 | 373 | 1,167 | 1,362 |
| Net additions/(withdrawals) to social investments | (63) | 0 | (63) | 17 |
| Net (additions)/withdrawals to investments | (1,728) | (9,358) | (11,086) | (19,843) |
| Net cash flow from investing activities | (997) | (8,985) | (9,982) | (18,464) |
| Cash flow from fixed assets | | | | |
| Purchase of new assets | (103) | 0 | (103) | (136) |
| Depreciation during the year | 240 | 0 | 240 | 236 |
| Net Assets (additions)/reduction | 137 | 0 | 137 | 100 |
| Increase/(decrease) in cash | 1,635 | 0 | 1,635 | (6,446) |
| Cash as at 1 January | 6,541 | 0 | 6,541 | 12,987 |
| Cash as at 31 December | 8,176 | 0 | 8,176 | 6,541 |

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Charity Cash Flow Statement for the year ended 31 December (in €'000s)

| | Unrestricted | Restricted | 2020 | 2019 |
|--|--------------|------------|--------------|----------------|
| Net inflow/(outflow) from operating activities | (698) | 11,002 | 10,304 | 17,936 |
| (Decrease)/increase in creditors | 2,402 | 0 | 2,402 | 5,693 |
| Decrease/(increase) in debtors | 5,077 | 0 | 5,077 | 263 |
| Investment income | (794) | (373) | (1,167) | (1,362) |
| Net realised & unrealised investment and foreign currency gains/(losses) on revaluation on investments | (3,493) | (1,644) | (5,137) | (10,405) |
| Net Operating Surplus | 2,494 | 8,985 | 11,479 | 12,125 |
| Cash flow from investing activities | | | | |
| Investment income | 794 | 373 | 1,167 | 1,362 |
| Net additions/(withdrawals) to social investments | (63) | 0 | (63) | 17 |
| Net additions/(withdrawals) to investments | (1,726) | (9,358) | (11,084) | (19,843) |
| Net cash flow from investing activities | (995) | (8,985) | (9,980) | (18,464) |
| Cash flow from fixed assets | | | | |
| Purchase of new assets | 0 | 0 | 0 | 0 |
| Depreciation during the year | 0 | 0 | 0 | 0 |
| Net Assets (additions)/reduction | 0 | 0 | 0 | 0 |
| Increase/(decrease) in cash | 1,499 | 0 | 1,499 | (6,339) |
| Cash as at 1 January | 6,290 | | 6,290 | 12,629 |
| Cash as at 31 December | 7,789 | 0 | 7,789 | 6,290 |

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Notes to the Financial Statements (in €'000s)

1. Accounting Policies

a) Basis of accounting

The Duchesne Trust is a regulated trust in the United Kingdom. The address of the registered office is given in the group information on page 3 of these financial statements. The nature of the group's operations and principal activities are to promote charitable work carried out by the Society of the Sacred Heart.

The group constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

These group financial statements consolidate the results of the Trust and the entity it controls being the Society of the Sacred Heart Generalate, both of which make up their financial statements to 31 December.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in euros which is the functional currency of the group and rounded to the nearest €000.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

There are no material uncertainties regarding going concern.

b) Consolidation

Consolidation takes place with third parties when the charity determines that:

- i) the third party entity is financially dependent upon the charity and would not be able to continue without the charity's support, and
- ii) the charity is able to control the actions of the third party either directly or indirectly due to the authority it has via the trustees of the charity.

c) Income

Income is recognised in the period in which the group is entitled to receipt and the amount can be measured with reasonable certainty.

Where income is received with specific criteria for its use or future use the income is recorded as restricted.

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d) Resources expended and the basis of apportioning costs

Expenditure is included in the statement of financial activities when incurred and includes any attributable VAT which cannot be recovered. Resources expended comprise the following:

- i) The costs of charitable activities comprise expenditure on the group's primary charitable purpose as described in the trustees' report. Such costs include:
 - Support of the charitable work of members of the Society of the Sacred Heart. Specific areas of expenditure are detailed out in the trustees report.
 - Other donations payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the donation and has satisfied all related conditions.
- ii) Governance costs are the costs associated with the governance arrangements of the group including audit costs and the necessary legal procedures for compliance with statutory requirements.
- iii) All costs are directly attributable to specific activities.

d) Fixed Assets

Tangible fixed asset are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses.

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life as follows:-

- i) Land & Buildings 3%
- ii) Equipment 15%
- iii) Vehicles 25%

e) Debtors & Creditors

- i) Debtors - Debtors are recognised at the settlement amount due.
- ii) Creditors - Creditors are recognised where the group has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

f) Loans to provinces

All loans at the time they are made to a Province are recorded as a debtor. All loans are reviewed at year end to determine their realisability in the future. In the event that of a loan may be impaired a provision is made in the year.

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g) Commitments

All future commitments that are agreed to prior to the year end that are material are recorded at the time of the commitment rather than at the time of the payment.

2. Donations (in €'000s)

| | Group | | Charity | |
|--|--------|--------|---------|--------|
| | 2020 | 2019 | 2020 | 2019 |
| Funds received from Society of the Sacred Heart: | | | | |
| - Generalate (donation) | 0 | 0 | 22 | (15) |
| - provinces (donation) | 10,800 | 11,338 | 10,800 | 11,338 |
| | 10,800 | 11,338 | 10,822 | 11,323 |

3. Investment (in €'000s)

| | Group | | Charity | |
|---|-------|-------|---------|-------|
| | 2020 | 2019 | 2020 | 2019 |
| Investment income (dividend & interest) | 1,167 | 1,362 | 1,167 | 1,362 |

4. Supporting the Charitable Work of Members of the Society of the Sacred Heart (in €'000s)

| | Group | | Charity | |
|---|-------|-------|---------|-------|
| | 2020 | 2019 | 2020 | 2019 |
| Donations to the Society of the Sacred Heart: | | | | |
| - Generalate | 2,788 | 2,183 | 2,798 | 1,920 |
| - provinces | 2,844 | 2,253 | 2,799 | 2,264 |
| | 5,632 | 4,436 | 5,597 | 4,184 |

5. Other Costs (in €'000s)

| | Group | | Charity | |
|-------------------------|-------|------|---------|------|
| | 2020 | 2019 | 2020 | 2019 |
| Auditors remuneration | 9 | 9 | 9 | 9 |
| Other professional fees | 331 | 263 | 331 | 263 |
| | 340 | 272 | 340 | 272 |

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6. Net Outgoing Resources for the Year (in €'000s)

| | Group | | Charity | |
|-----------------------|-------|------|---------|------|
| | 2020 | 2019 | 2020 | 2019 |
| Auditors remuneration | 9 | 9 | 9 | 9 |

7. Staff Costs and Trustees' Remuneration (in €'000s)

| The group had salary costs of: | Salary | Social Costs | Total Staff Costs | Average Number of Group Employees |
|--------------------------------|--------|--------------|-------------------|-----------------------------------|
| 2020 | 516 | 152 | 668 | 14 |
| 2019 | 420 | 92 | 512 | 12 |

The charity has no employees (31 December 2019 - none) and, therefore, no staff costs were incurred during the year (31 December 2019 - €nil). During the year the group had an average of 14 employees (31 December 2019: 12).

During the year group employees receiving remuneration in excess of €70,000 were:

| | Number |
|---------------------|--------|
| €70,000 - €80,000 | 1 |
| €80,001 - €90,000 | 1 |
| €90,001 - €100,000 | 1 |
| €100,001 - €110,000 | 1 |

None of the trustees received any remuneration in respect of their services during the year (31 December 2019 - €nil). Expenses incurred by the trustees in the performance of their duties were not reimbursed during the year (31 December 2019 - €nil).

8. Taxation

The Duchesne Trust is a registered charity and, therefore, is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

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9. Fixed Assets (Group) (in €'000s)

| | Land & Building | Equipment | Vehicles | Total |
|---|-----------------|-----------|----------|-------|
| Opening Cost as at 1 January 2020 | 5,777 | 383 | 18 | 6,178 |
| Additions | 41 | 62 | 0 | 103 |
| Closing Cost as at 31 December 2020 | 5,818 | 445 | 18 | 6,281 |
| Brought Forward Accumulated Depreciation as at 1 January 2020 | 4,831 | 330 | 18 | 5,179 |
| Charge for the Year | 217 | 23 | 0 | 240 |
| Total Accumulated Depreciation as at 31 December 2020 | 5,048 | 353 | 18 | 5,419 |
| Total Net Book Value as at 31 December 2020 | 770 | 92 | 0 | 862 |
| Total Net Book Value as at 31 December 2019 | 946 | 53 | 0 | 999 |

The charity has no fixed assets.

10. Social Investments (in €'000s)

| | Group | | Charity | |
|---|-------|------|---------|------|
| | 2020 | 2019 | 2020 | 2019 |
| Market value at 1 January | 765 | 748 | 765 | 748 |
| Net (withdrawals)/additions from sales & purchases | 0 | 0 | 0 | 0 |
| Net unrealised foreign currency exchange gains/(losses) | (63) | 17 | (63) | 17 |
| Market value at 31 December | 702 | 765 | 702 | 765 |

All social investments are held through 3rd party social investment funds.

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11. Investments (in €'000s)

| | Group | | Charity | |
|--|---------|---------|---------|---------|
| | 2020 | 2019 | 2020 | 2019 |
| Listed investments and cash held for re-investment | 138,014 | 121,667 | 138,014 | 121,667 |

Movements in investments are summarised below:

| | Group | | Charity | |
|--|---------|---------|---------|---------|
| | 2020 | 2019 | 2020 | 2019 |
| Market value at 1 January | 121,667 | 91,453 | 121,667 | 91,453 |
| Net (withdrawals)/additions from sales & purchases | 11,149 | 17,827 | 11,147 | 17,827 |
| Net investments transferred to the Duchesne Trust from the Society of the Sacred Heart provinces | 0 | 1,999 | 0 | 1,999 |
| Net unrealised investment & exchange gains/losses – Provincial investments | 1,249 | 4,107 | 1,249 | 4,107 |
| Net unrealised investment & exchange gains/losses – Generalate investments | 3,949 | 6,281 | 3,951 | 6,281 |
| Market value at 31 December | 138,014 | 121,667 | 138,014 | 121,667 |

List investments held at year-ends comprised of the following:

| | Group | | Charity | |
|---------------------------|---------|---------|---------|---------|
| | 2020 | 2019 | 2020 | 2019 |
| Equities | 85,569 | 52,073 | 85,569 | 52,073 |
| Fixed interest securities | 24,428 | 19,345 | 24,428 | 19,345 |
| Alternatives | 22,358 | 27,740 | 22,358 | 27,740 |
| Cash | 5,659 | 22,508 | 5,659 | 22,508 |
| | 138,014 | 121,667 | 138,014 | 121,667 |

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12. Debtors (in €'000s)

The other debtors relate to loans made to the Society's provinces as follows:

| | Group | | Charity | |
|------------------|-------|-------|---------|-------|
| | 2020 | 2019 | 2020 | 2019 |
| Other debtors | 4 | 6 | 0 | 0 |
| Province debtors | 1,254 | 6,331 | 1,254 | 6,331 |
| | 1,258 | 6,337 | 1,254 | 6,331 |

| | Group | | Charity | |
|---------------------------------------|-------|-------|---------|-------|
| | 2020 | 2019 | 2020 | 2019 |
| Democratic Republic of Congo Province | 252 | 328 | 252 | 328 |
| Italian Province | 0 | 5,000 | 0 | 5,000 |
| Peru Province | 94 | 166 | 94 | 166 |
| Poland Province | 640 | 420 | 640 | 420 |
| Uganda Kenya Province | 268 | 417 | 268 | 417 |
| | 1,254 | 6,331 | 1,254 | 6,331 |

The loan to the Democratic Republic of Congo Province was to assist with the development of an 800 hectare farm outside of Kinshasa that will assist the Province in becoming sustainable in the future. The loan to the Italian Province was due to a timing difference in relation to the sale of their properties so as to allow the Province to continue to operate without any cash flow difficulties. This loan was repaid during the year. The loan to the Peru Province was to help finance the construction of a new alternative education Centre. In 2016 Peru Province started to repay the loan. The loan to Poland was to assist with the construction of a new school, and was increased in 2020 to expand the number of classrooms. The loan to the Uganda Kenya Province was to assist with the development of a building to generate rental income that will assist the Province in becoming sustainable in the future. The loans to provinces are secured by a promissory note from the Generalate in Rome that is held against the Generalates Villa at Via Tarquinio Vipera, 16 Rome, Italy.

In the next 12 months the Group expects to receive (€'000s) as follows:

| | |
|---------------------------------------|------------|
| Democratic Republic of Congo Province | 60 |
| Peru Province | 68 |
| Poland Province | 80 |
| Uganda Kenya Province | 35 |
| | <u>243</u> |

This leaves in the region of €1 million receivable after one year.

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13. Creditors: Amounts Falling Due Within One Year (in €'000s)

| | Group | | Charity | |
|---|--------|--------|---------|--------|
| | 2020 | 2019 | 2020 | 2019 |
| Amounts due to provinces – Non Investment | 1,390 | 1,247 | 1,390 | 1,247 |
| Accruals | 461 | 366 | 193 | 145 |
| Commitments | 1,604 | 271 | 1,604 | 271 |
| | 3,455 | 1,884 | 3,187 | 1,663 |
| Amounts due to provinces – Investment | 24,839 | 23,961 | 24,839 | 23,961 |
| Total | 28,294 | 25,845 | 28,026 | 25,624 |

Amounts due to provinces (Non-Investment) are funds awarded to provinces or expenses incurred by the Generalate that have not yet been paid.

Amounts due to provinces (Investment) are those funds invested on behalf of provinces by the Generalate (see Note 11) net of all disbursements and gains or losses on the investment.

| | Group | | Charity | |
|---------------------------------------|--------|--------|---------|--------|
| | 2020 | 2019 | 2020 | 2019 |
| As at 1 January | 23,961 | 18,071 | 23,961 | 18,071 |
| Amounts Received In the Year | 0 | 1,999 | 0 | 1,999 |
| Disbursements | (371) | (216) | (371) | (216) |
| Investment Gains/(Losses) | 1,249 | 4,107 | 1,249 | 4,107 |
| Amounts due to provinces – Investment | 24,839 | 23,961 | 24,839 | 23,961 |

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14. Unrestricted fund balances allocated for specific purposes (in €'000s)

| Group | | | | | | |
|----------------------------|-------------------|---------------|----------------|---------------------|-----------|------------------------|
| Funds | 1 January 2020 | Income | Expenditure | Investment Gains | Transfers | 31 December 2020 |
| <u>Restricted</u> | | | | | | |
| Solidarity | 0 | 204 | (204) | 0 | 0 | 0 |
| Covid | 0 | 865 | (865) | 0 | 0 | 0 |
| Future Sustainability | 0 | 9,647 | (289) | 1,644 | 35,157 | 46,159 |
| | 0 | 10,716 | (1,358) | 1,644 | 35,157 | 46,159 |
| <u>Unrestricted</u> | | | | | | |
| General | 1,415 | 0 | 0 | 0 | (1,415) | 0 |
| <u>Designated</u> | | | | | | |
| Generalate | 52,160 | 1,274 | (2,667) | 3,491 | 1,415 | 55,673 |
| Solidarity | 6,275 | 0 | (36) | 0 | 0 | 6,239 |
| Formation | 3,343 | 0 | (11) | 0 | 0 | 3,332 |
| Future Sustainability | 46,371 | 0 | (2,799) | 0 | (35,157) | 8,415 |
| Heritage | 900 | 0 | 0 | 0 | 0 | 900 |
| | 109,049 | 1,274 | (5,513) | 3,491 | (33,742) | 74,559 |
| Total Funds | 110,464 | 11,990 | (6,871) | 5,135 | 0 | 120,718 |

During the year the charity undertook a review of the funding received to date for Future Sustainability. This resulted in the charity reclassifying as restricted all receipts, investment income/expenditure and gains associated with the funding. At the year end the detail, of what the restricted Future Sustainability funding will be used for, had not been defined by the Congregation. Therefore, all expenditure related to Future Sustainability is at present is being drawn from the designated funds of Future Sustainability until such time that the use of the restricted fund has been defined. The decision around the use of this restricted fund is expected to be taken at the Special Chapter scheduled for November 2021. As a result of the review of the Future Sustainability funding, a transfer of £35.157 million from designated funds to restricted funds was made during the year to account for those funds given in prior years.

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14. Unrestricted fund balances allocated for specific purposes (in €'000s) (continued)

The amount and destination of these funds are determined by the Trustees. Set out below are the balances of the funds as well as its intended use of the funds:

Charity

| Funds | 1 January 2020 | Income | Expenditure | Investment Gains | Transfers | 31 December 2020 |
|--------------------------|-------------------|---------------|----------------|---------------------|-----------|------------------------|
| Restricted | | | | | | |
| Solidarity | 0 | 204 | (204) | 0 | 0 | 0 |
| Covid | 0 | 865 | (865) | 0 | 0 | 0 |
| Future Sustainability | 0 | 9,647 | (289) | 1,644 | 35,157 | 46,159 |
| | | 10,716 | (1,358) | 1,644 | 35,157 | 46,159 |
| Unrestricted | | | | | | |
| General | 0 | 0 | 0 | 0 | 0 | 0 |
| Designated | | | | | | |
| Generalate | 52,540 | 1,287 | (2,632) | 3,493 | 0 | 54,688 |
| Solidarity | 6,275 | 0 | (36) | 0 | 0 | 6,239 |
| Formation | 3,343 | 0 | (11) | 0 | 0 | 3,332 |
| Future Sustainability | 46,371 | 0 | (2,799) | 0 | (35,157) | 8,415 |
| Heritage | 900 | 0 | 0 | 0 | 0 | 900 |
| | 109,429 | 1,287 | (5,478) | 3,493 | (35,157) | 73,574 |
| Total Funds | 109,429 | 12,003 | (6,836) | 5,137 | 0 | 119,733 |

Group & Charity

Restricted

- i) Solidarity – Funds that have been donated to fund projects involving members of the Congregation, to support and educate vulnerable groups who live in poverty. This is often directed towards women and children who lack the basic necessities of life.
- ii) Covid - Funds that have been donated by provinces to fund projects and activities specifically related to the impact of COVID-19, as defined by specific criteria.
- iii) Future Sustainability – Funds that have been donated by provinces in response to the call from General Chapter 2016 to "commit ourselves as one body to live our community of goods by sharing our resources throughout the Society, especially our financial resources, in order to sustain our life and mission for the future." The use of the Sustainability Fund will be discussed at the Special Chapter 2021. Details of the types of funding are set out in a document titled "Priorities for Future Sustainability".

Designated

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- i) Generalate – Funds that have been designated to ensure the continuing operation of the General Council in Rome along with the associated costs of operating the Society of the Sacred Heart.
- ii) Solidarity – Funds have been designated to fund projects involving members of the Congregation, to support and educate vulnerable groups who live in poverty. This is often directed towards women and children who lack the basic necessities of life.
- iii) Formation – Funds that have been designated to cover the costs associated with initial and on-going education for the members of the Society of the Sacred Heart.
- iv) Future Sustainability – Funds have been designated in response to the call from General Chapter 2016 to "commit ourselves as one body to live our community of goods by sharing our resources throughout the Society, especially our financial resources, in order to sustain our life and mission for the future." The use of the Sustainability Fund will be discussed at the Special Chapter 2021. Details of the types of funding are set out in a document titled "Priorities for Future Sustainability".
- v) Heritage – The fund was set up to facilitate the maintenance of heritage assets within the Society of the Sacred Heart.

15. Allocation of Reserves (in €'000s)

| Group | Unrestricted Reserves | Designated Reserves | Restricted Reserves | Total Reserves |
|--|-----------------------|---------------------|---------------------|----------------|
| Fixed Assets | 18,860 | 74,559 | 46,159 | 139,578 |
| Current Assets | 9,434 | 0 | 0 | 9,434 |
| Current Liabilities - Non-Investment | (3,455) | 0 | 0 | (3,455) |
| Current Liabilities - Province Investments | (24,839) | 0 | 0 | (24,839) |
| Total Reserve | 0 | 74,559 | 0 | 120,718 |

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15. Allocation of Reserves (in €'000s) (continued)

Charity

| | Unrestricted Reserves | Designated Reserves | Restricted Reserves | Total Reserves |
|---|--------------------------|------------------------|------------------------|-------------------|
| Fixed Assets | 18,983 | 73,574 | 46,159 | 138,716 |
| Current Assets | 9,043 | 0 | | 9,043 |
| Current Liabilities - Non- Investment | (3,187) | 0 | | (3,187) |
| Current Liabilities - Province Investments | (24,839) | 0 | | (24,839) |
| Total Reserve | 0 | 73,574 | 0 | 119,733 |

16. Related Party Transactions

No related party transactions took place during the year.

17. Post Year End Events

In June 2021 the Trust agreed to fund commitments entered into by the Generalate with the Italian Province for the use of the Villa Lante over the next 10 years that is estimated to be €4,000,000. Post year end the Trust accrued an additional €3,000,000 liability to recognise the total commitment related to the Villa Lante.