



DUCHESNE TRUST

CHARITY REGISTRATION NUMBER 288467

ANNUAL REPORT

2022

Although we have to own goods, we hold them only as stewards, never forgetting that God destined the world and all that it contains for the use of everyone and for all peoples. Consequently, in a world full of ambiguities, justice and charity impel us to direct our administration towards the realization of this global destiny and to live our special responsibility through community of goods.

Const. 178

CONTENTS

Reference and administrative details of the Group.....	3
Trustees' report including strategic report.....	4
Statement of trustees' responsibilities	41
Independent auditor's report to the trustees of Duchesne Trust.....	42
Financial statements.....	47
Notes to the financial statements.....	53

CONTACT & REGISTERED OFFICE

REGISTERED OFFICE

9 Bute Gardens
London
W6 7DR
Tel: 0208 741 4688

CONTACT

María Georgina Zubiría Maqueo
Email: econgen@rscjroma.org
Website: www.rscjinternational.org

TRUSTEES

Sister Barbara Dawson - Chair
Sister Marie-Jeanne Elonga
Sister Monica Esquivel
Sister Maria Georgina Zubiría Maqueo
Sister Isabelle Lagneau (resigned: 11 January 2022)
Sister Bernadette Porter (resigned : 31 January 2022)
Sister Catherine Lloyd (appointed: 23 September 2022)
Sister Anne Marie Loyola Corry (appointed: 11 January 2022)

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

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

Waverton Investment Management
16 Babmaes Street
London SW1Y 6AH

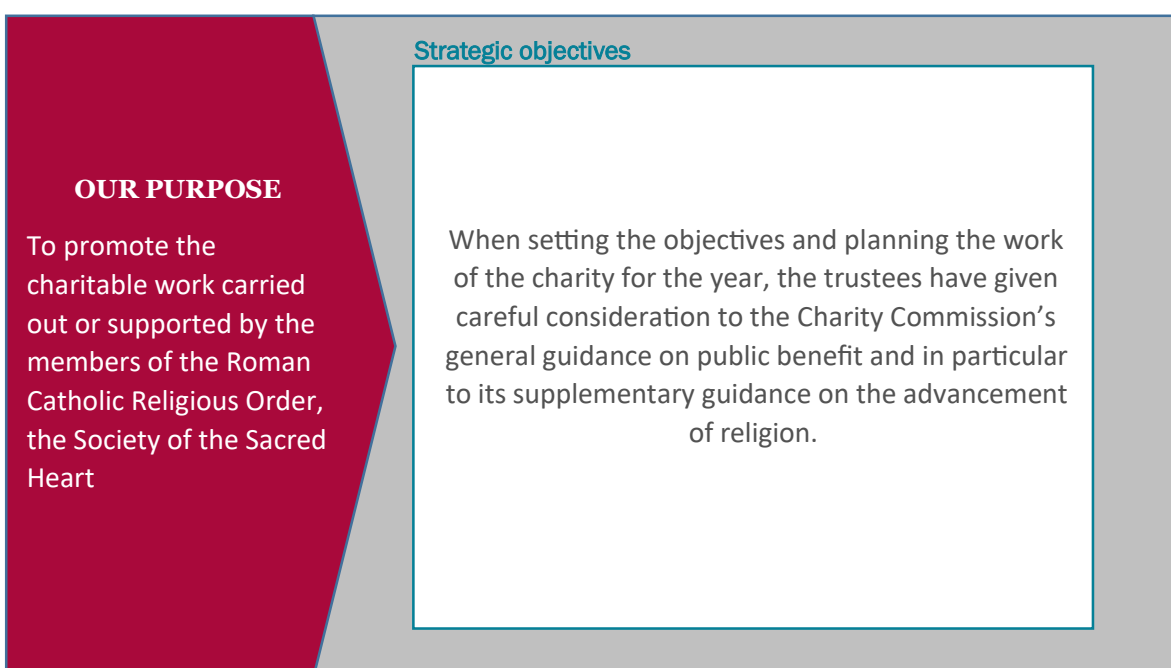
Schroders & Co Limited (Cazenove)
12 Moorgate
London EC2R6DA

CUSTODIAN

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

The trustees present their report and the audited financial statements of the group for the period ended 31 December 2022. 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 health (special needs and HIV/AIDS), youth and education, people on the move and women in vulnerable situations;
- ▶ Administration of funds approved by the trustees to respond to situations of suffering and need, such as the Cor Unum-Covid 19 Fund and the Ukraine-Russia Conflict Victims Support Fund;
- ▶ The administration of a fund which will ensure the sustainability of the life and mission of the Society into the future and which, for some provinces, is already a necessity to support their own costs for formation, international activities, eldercare or capital projects.

SHORT TERM STRATEGIES

During 2022 the Duchesne Trust, while continuing to support the charitable activities of the members in a worldwide context, began a complex process of internal reorganisation that will involve the creation of eight new territorial entities grouping the Provinces. The governance of the new entities will be defined as soon as the functions assigned to each one are established, both as individual entities and for their cooperation.

The trustees, with the collaboration of the International Planning Commission, have established that the Trust's activities must be oriented towards strengthening four Apostolic Priorities:

- ▶ Education
- ▶ JPIC (Justice, Peace, Integrity of Creation)
- ▶ Spirituality
- ▶ Formation

LONG TERM STRATEGIES

In the long term, the Duchesne Trust will continue to support the charitable activities of the members of the Society. Until the end of their mandate in 2024, the current leadership team will continue to work on implementing the decisions of the General Chapter 2016, and those of the Special General Chapter in 2021, as developed by the International Planning Commission and the Assembly of Provincials. In detail:

- ▶ Revitalize our sense of mission in the world today
- ▶ Generate a process of reflection and systematization of each of the apostolic priorities
- ▶ Work on the definition of each apostolic priority
- ▶ Explore how to implement these apostolic priorities and their functioning with the new organisation
- ▶ See how to coordinate these apostolic priorities at an international level
- ▶ in the context of potential entities and/or with other entities, plan meetings, work-team meetings, and meetings regarding the articulation of apostolic priorities
- ▶ Implementing training in leadership, change management, financial, and intercultural competency
- ▶ Look into the financial and legal management and implications

STRUCTURE AND MANAGEMENT

ORGANISATION

The trustees have the final responsibility for the policies, activities and assets of the Trust. They meet at least 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.

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 2022 funds have been used to further support 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.
- ▶ support vulnerable people in emergency context (wars, pandemics, natural disasters)

RISK MANAGEMENT

The trustees are assessing the major risks to which the group is exposed during 2022, 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 over €65 million are held in designated funds. Further details of these are set out in note 12.

INVESTMENT POLICY

The group has total fixed asset investments of €164 million as at 31 December 2022 (2021: €179 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:

- ▶ **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.
- ▶ **To draw down €2.3 million in cash per annum.**
- ▶ 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 and 2020. The results for the past 12 months to 31 December 2022, despite the fact that the financial year was the most negative in ten years, indicate that the objectives have been met and since inception all objectives have been achieved.

In early 2021 the Trust reviewed the investment strategy to ensure that post Covid it was still appropriate. 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.

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
- ▶ 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.

FINANCIAL REVIEW

A summary of the year's results for the group can be found on page 47 of the attached accounts. For the period of 12 months ending 31 December 2022:

- ▶ the economic result **was €-14 million** (2021 - €28 million) comprising mainly donations and investment income;
- ▶ **total expenditure amounted to €6 million** (2021 - €9 million) of which €5 million (2020 - €6 million) comprised donations to the Society of the Sacred Heart internationally.

FINANCIAL POSITION

The balance sheet shows total reserves as at 31 December 2022 **of €133 million** (2021 - €146 million).

THE GROUP'S ASSETS

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

Administration of the Society of the Sacred Heart Life and Mission

During the 12 months of 2022, the Duchesne Trust continued its charitable work with the commitment and support of members of the Society of the Sacred Heart in 41 countries around the world. The Trustees and members of the General Council appointed by the Superior General, carried out different activities in a context still affected by the pandemic and the effects of the outbreak of the Ukraine-Russia conflict.

We will introduce some specific areas within the Society that include the activities of colleagues, volunteers, and friends who are part of our extended group.

Reorganization of the General Council as a new Team

Thanks to the easing of travel restrictions in some countries, the General Council was able to resume travelling and visiting the different communities and missions around the world. Daphne Sequeira and Marie-Jeanne Elonga visited Uganda-Kenya Province on February 2022. After two years of the pandemic, this was the first visit to the Provinces from the General Council.



Further significant visits to the provinces were those to the Province of Central Europe (CEU - Austria, Hungary and Germany), deeply hit by the Pandemic; to Brazil, where they met the new leadership team and found elder sisters very well cared; to Egypt, where the Councilors were invited to share the feast of Eid el-fitr (end of Ramadan) with the school of Heliopolis and with their Muslim brothers.

Anne Corry and Daphne Sequeira visited Warsaw, Poland, in June 2022, which has been receiving thousands of refugees during the war in Ukraine. The General Council wanted to express the **Society's solidarity with our** sisters in Poland who have been supporting this humanitarian effort. They met refugee families and children and visited the provincial house where the community and other friends have hosted Ukrainian refugees.



The two councilors then moved to Vietnam, where they visited the community and the reality of Ho Chi Minh City, trying to figure out the mission of the Society in those places.



International Planning Commission



At the end of a participative consultation, the General Council named the members who are making up the International Planning Commission (IPC). The members of the Commission are Ananda Amritmahal (India), Claire Castaing (Belgium-France-Netherlands), Imma De Stefanis (United States-Canada), Elizabeth Nakayiza (Uganda-Kenya), Paqui Rodríguez (Spain) and Jacquelin Jiménez (Venezuela).

The IPC along 2022 designed a plan for restructuring the Society that has been studied, discussed, modified, and accepted in the Assembly of Provincials.

Assembly of Provincials – Malaga, December 2022

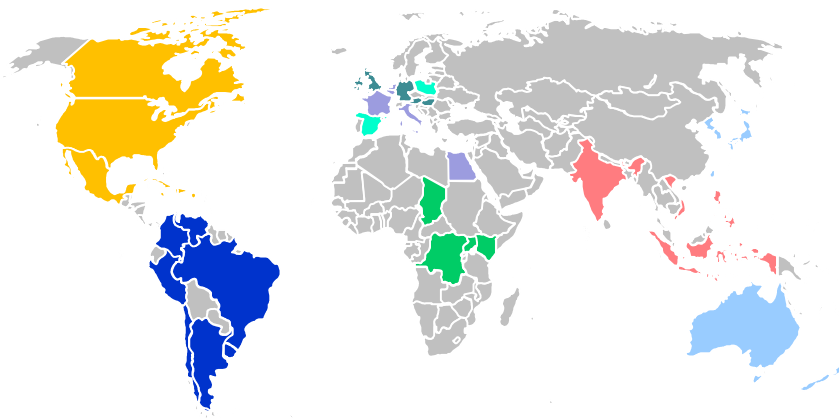


The Assembly of Provincials of the Society of the Sacred Heart was held at the Diocesan House in Malaga, Spain, from December 1 to 15. Provinces and District Representatives, the General Treasurer, the Superior General and the four General Councilors participated. It was a discernment meeting organized in two interconnected parts: the reorganization of the Society and the preparation for the General Chapter 2024.

The International Planning Commission was present. Together with the facilitators, they led the discernment process, inviting the group to engage in generative listening and to look at the whole and not only at each of the parts. The Superior General, with the consent of her Council, confirmed the decision that will be definitively decided in the Chapter of 2024:

The Society of the Sacred Heart will be organized in eight provinces:

- I. Democratic Republic of Congo-Chad and Uganda-Kenya
- II. India, Indonesia, Philippines and Vietnam
- III. Australia-New Zealand, Japan, and Korea-Chinese
- IV. Antilles (Puerto Rico, Haiti and Cuba), Mexico and United States-Canada
- V. Argentina-Uruguay, Brazil, Chile, Colombia, Peru and Venezuela
- VI. Austria-Germany-Hungary, England-Wales, Ireland-Scotland, and Malta
- VII. Belgium-France-Netherlands, Egypt, and Italy
- VIII. Poland and Spain



The Assembly of Provincials with the General Council made some additional important decisions. They agreed to maintain four apostolic priorities: Education, Spirituality, Formation and Justice, Peace and Integrity of Creation (JPIC), including in each of them explicitly our preferential option for young people.

They have agreed that the process of preparation for the General Chapter 2024 will be integrated with this process of reorganization.

EDUCATION

SPIRITUALITY

FORMATION

JPIC

Preparation towards the General Chapter 2024

During 2022 the General Council continued to work on their mandate, including the implementation of the preparation for the Chapter 2024, to be held in Nemi (Rome-Italy) in August 2024. The Council worked to the appointment of four new commissions, in order to assist to the preparation of the General Chapter 2024:

1. The Spiritual Itinerary Committee: Committee of RSCJ responsible to create a spiritual process based on the Constitutions to involve all members in the process towards the General Chapter 2024.
2. The Synthesis subcommittee: Subcommittee of RSCJ responsible for reading the contributions of the Provincial Chapters, synthesize them and submit to the General Council in view of the final report to the General Chapter 2024.
3. The Discernment Communities subcommittee: Committee of RSCJ responsible to organise pre-Chapter discernment communities to prepare delegates and reflect on future leadership needs.
4. Preparatory Committee: Committee of the RSCJ in charge of collaborating with the facilitators, coordinating with the above-mentioned Committees in the elaboration of their tasks and involving the members in the preparation of the General Chapter 2024.

Restructuring of the Generalate Finance Office

The Finance Office supports the General Council with the stewardship and administration of the financial resources of the Society. On September 1, 2021, Georgina Zubiría rscj from the province of Mexico started her role as Canonical Treasurer General of the Society.

The Generalate Finance Office has been working on the operational reorganization of the staff, considering the decisions of the Special Chapter: How can the Generalate Finance Office support the structural changes that will occur within the Society to **“enable and support the putting in common of our resources”**.

This review included the development of new policies and procedures for the Generalate to facilitate the continuing support of the General Council and Trustees, international services, and the Society's mission, especially in countries most vulnerable due to migration, poverty, and war. The new policies and procedures also seek to ensure that the Duchesne Trust remains in compliance with established regulations.

The Generalate Finance Office currently hosts the Mother House Solidarity Fund Coordinator, who ensures the management of the Fund under the direction of the Treasurer General and the General Council.



Finance Office Team

The Generalate Finance Office is advised by the International Investment Committee (IIC), which met in May 2022 at the Generalate in Rome. The purpose of the committee is to work with the Canonical Treasurer, as the designated representative of the Trustees, and the investment advisor of the Generalate to ensure the proper administration of the investments of the Duchesne Trust.



After two years of not being able to meet in person, they were finally able to do so. Present at the meeting were Robert Rae from Australia, Jeroen Kwist from Holland, Peter Keane from Ireland, Jane Maltby RSCJ from England, Georgina Zubiria RSCJ, Helen Harrington and Mark Freeman.

The IIC met again in the first week of October of this year. This time it was joined by Mieko Shinjo RSCJ from Japan, who will replace Jane Maltby RSCJ; Rachel Keane Griffiths, who will replace Peter Keane in this service, and Simone Mazza as Financial Accountant of the Generalate.



Communication

Throughout 2022, the Communications Manager met regularly with the General Council and the International Communications Team to discuss the progress of ongoing initiatives and to review future plans. She also worked closely with the General Council and the Secretariat on the Communications Bulletins, along with the Flash News.



Training with photo expert Poncho Alarcon

To help facilitate communications efforts throughout the Society, two training series were held on key communications skills, such as taking and editing photos. In the fall, the Communications

Manager conducted three trainings on the use of Word, PowerPoint and the Society templates. All training sessions were attended by some members of the Society, collaborators, colleagues, volunteers and/or beneficiaries of the different mission projects. These sessions were also recorded and published on the website in the different languages, which doubled their reach.

Planning for the updated RSCJ International website began in earnest in January 2022.

As part of this process, surveys were sent out to the entire Society regarding formal education initiatives and spiritual direction. These will make it possible for RSCJ and other users to search for these resources on RSCJ International website.

Coverage of events and activities from around the Society continued throughout 2022. Of particular interest are feast celebrations and special occasions, such as the taking of vows. Probation 2022 was covered in-depth on the website, with photos and videos of the opening, the closing conference, the final vows ceremony, and an interview series with the probanists.



For the Christmas season, the Communications Office produced a video message from the General Council for Advent, as well as a Christmas card and video slideshow featuring greetings from around the Society.



Secretariat

The Secretariat continue to support the work of the General Council and the administration of the international Society. During 2022 they updated the catalogues of the Society, detailing the members, provinces and communities; worked on the development of a new web-based database for the international Society to securely store details of each member, community and Province; supported the General Council with administration and translation services; worked with the Provinces opening assemblies through Zoom, supporting assistants, facilitating technical support and translation of documents; assisted all international commissions in their work around the world and guaranteed daily correspondence and communication between the Generalate and the Provinces.



Committees

During 2018 a series of Committees were established within the Society to address the recommendations of General Chapter 2016. During 2022, after the COVID-19 global pandemic, some of the committees had the opportunity to meet again in person, to discuss progress in their work.

The International Vocation Committee continued throughout 2022 to promote the networking of vocation ministry teams in the regions of the Society and have taken some initiatives in working with young people. On Saturday June 25, 2022, to celebrate the Feast of the Sacred Heart, the Committee organized an event for all RSCJ, collaborators, young people and young adults to better understand the reality of young people, focused on the creation of a culture of belonging through relationships.

The International Education Committee continues to focus on three major areas:

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

During 2022, the Committee continued to work on drafting a profile of a Sacred Heart educator and a framework for the philosophy of education. Due to the pandemic, the Committee met via Zoom and focused on the preparation of their in-person meeting happening in July 2023.

The International Volunteers Commission has temporarily suspended its activities due to the pandemic. In 2023, the commission expects to resume its work in planning volunteer initiatives throughout the Congregation, both on a local and international level.

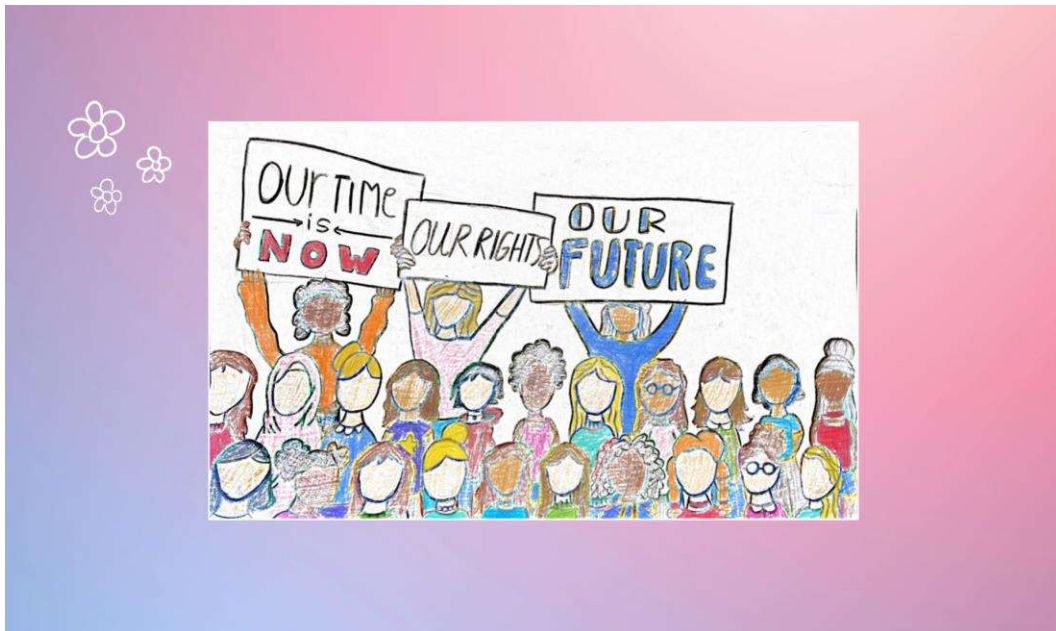
The Ongoing Formation Commission suspended the renewal programs in 2022 because of the global pandemic and travel restrictions. The members met virtually to prepare for the next in-person meeting to be held in the renovated premises of the Villa lante in May 2023.

Justice, Peace and Integrity of Creation – UN-NGO

2022 was a year of transition for the three JPIC offices: JPIC International, UN-NGO, and JPIC Learning Hub. All members of the three offices were involved in other tasks. Nevertheless, the team remained active and participative.

Some highlights of the work this year included:

- Responding to critical moments in the world and offering concrete acts of hope and solidarity through the First Friday Prayer for Peace: every First Friday of the month, people from different parts of the world come together for a global online prayer for peace in Ukraine and all places in the world that cry for peace.
- Strengthening advocacy and Education in the service of JPIC, through the activities of the UN-NGO.



- Integrating JPIC and Spirituality through activities like: participating to religious retreats, giving sessions for educators about Madeleine Sophie, preparing prayer reflection guides.
- Supporting the Transformative Community of Practice (TCoP) on Indigenous Peoples: a small group of RSCJ and partners who serve in Argentina, Australia, Brazil, Canada, India, Paraguay, and Peru.
- Inviting the participation of young people in JPIC and UN-NGO activities.

- Sustaining the connection between JPIC and Formation by being resource persons for different levels of RSCJ formation and province-wide meetings.

A significant moment for the JPIC International Team was the meeting in Manila on 15-21 October 2022 – our first face-to-face meeting since the pandemic began. Together, we were able to build the new JPIC International Team, plan the way forward for 2023-2024 for each of our offices and for the JPIC and integrate the 2021 Special Chapter's **decision on “apostolic priorities” into our plan of action.**



The JPIC International Team (L-R: Joy Luz, Yolanda Jimenez, Rachel Guillien, Rena Bersola, Margaret Mwarili) met in Manila on 15th-21st October to plan the way forward for each of our offices and for the JPIC International Team.

We also had a whole-day meeting with Daphne Sequeira (our GC Link) and Anne Corry, with hearty lunch in-between.



One of the key instruments by which the Society of the Sacred Heart carries out its charitable work in favor of the most vulnerable communities and peoples is the “Mother House Solidarity Fund”.

Through this fund, the Society provides funding to projects around the world, following the calls of both Chapter 2008 and Chapter 2016 to live justice, peace, and the integrity of creation in our world today.

The fund is stewarded from the Generalate according to published criteria. Following the recommendations of the Chapters, the Finance Office presented a proposal outlining the work done over the past five years and the need to create a Solidarity Fund Commission. We are grateful that five experienced RSCJ have agreed to share



their time and expertise to serve on this commission for an initial three-year term: Yuka Arita (Philippines District), Pratibha Pinto (India), Sofia Baranda (Chile), Resty Nalubega (Uganda-Kenya) and Fatima Santaló-Ossorio (Spain).

In 2022, the Mother House Solidarity Fund (MHSF) allocated 20 grants. The Region of Africa received seven grants, Asianz three, Europe four and the Region of Philippine Duchesne six grants. The MHSF was glad to allocate a grant to the province of Egypt that had not applied for over 20 years. The projects, which are currently ongoing, focus on the spheres of health (special needs and HIV/AIDS), youth and education, people on the move and women in vulnerable situations.

In September 2022, projects submitted and financed in 2021 were evaluated. The Mother House Solidarity Fund (MHSF) supported 25 projects in the regions of Africa (10), Asianz (2), Philippine Duchesne (10) and Europe (3). Here are the results from seven of these projects.

Dental care, St. Charles Lwanga Health Centre, Chekalini, UGK

Chekalini had no dental service, and its population, which tends towards a high sugar diet and low dental hygiene, had to walk far for dental care and often could not afford the high costs. The St. Charles Lwanga Health Centre has set up a dental care unit where a newly hired dentist technologist visits patients on a new dental chair. The dental unit also carries out awareness campaigns in local markets and in local public schools, where the dental technologist teaches dental hygiene, freely examines patients (which now number 150), and distributes toothpaste and toothbrushes.



Food support for people living with HIV AIDS, Kimwenza, Kinshasa, RDC

The project aimed to better the life of 40 adults and children living with HIV. Its activities focused on a materially, medically and spiritually follow up (a whole morning). Group encounters happened twice a month, one for children and one for adults encounters. In its encounters, it increased and varied food supplies, reviewed the miss-knowledge patients had about their HIV/AIDS medical conditions, and supervised the correct intake of pills. It also organized support to two HIV orphans (school and medical). To guarantee food supplies, the project increased support to the poultry breeding. Beneficiaries gained proper

knowledge on their own medical conditions, increased their weight, and overall blossomed. As for children, they enrolled and kept a stable presence at school.

Going organic, moving away from the margins. A training series on natural farming in Samar, PHI

The objective of the project was to empower rural farmers with knowledge and skills, and to make them advocates of sustainable agriculture. Beneficiaries included practicing farmers, women, students, NEET, and people with disabilities. Activities focused on training on organic agricultural skills, with 14 workshops on crop rotation, organic fertilizing, pest control, disease protection, vermiculture,



composting, waste management, and upcycling. Thanks to the partnership they developed with local authorities, participants acquired a national certification. Eighty percent of participants took up agricultural initiatives in their own contexts, and local municipalities are planning to reproduce the training.

ECO-Taller VERDE AROMA. Centro Penitenciario Madrid I Mujeres (ACOPE) – ESP

The Taller Verde Aroma (Green Aroma **Workshop**) took place in the women's jail of Alcala de Henares, Madrid. The goal of the project was to enhance the technical, professional, and social skills in green growing of 17 jailed adult women (70% Spanish). The project ran workshops on aromatic and medicinal plants, floral decorations, and waste management. Some benefits included teamwork and solidarity, an increase in creativity and aesthetic sense, and improvements in punctuality,



responsibility, independence, motivation, interest, and proactiveness. By the end, 2,500 aromatic, medicinal plants and 840 litres of composting had been produced, a shed for tools had been built, and a blog was created for the plant nursery.

Tu médico en casa ahora con ambulancia – Cumaná, VEN



The economic crisis in Venezuela has considerably reduced public health services. Faced with this situation, a team of doctors designed a home care service for patients, your GP at Home, with accessible costs for the vulnerable population of Cumaná who cannot afford private care. The Con ambulancia extended the medical care to include transport of patients within the municipality and the state. A regular van was

turned into an ambulance, and its addition to the medical service enabled more rapid responses to medical emergencies, which reduced medical complications. The ambulance brought light and hope to the vulnerable population, equality in access to medical care, and more lives were saved.

Equipo Bandera Blanca: Creadores de Paz – Zapopapan, Jalisco, MEX

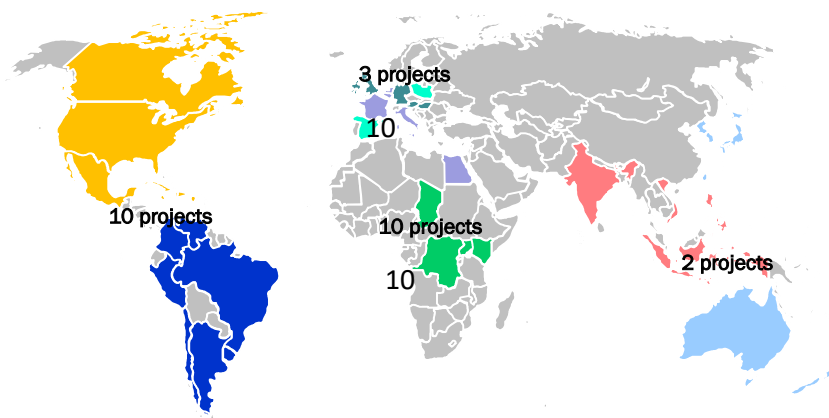
The Oblatos neighborhood in Guadalajara has a high rate of violence. Violence is also to be found in schools. Following a selection of secondary schools in the area, the Bandera Blanca run a series of workshops on active participation towards peace building where attention is paid on self-awareness, group identity, positive expression of feelings, and self-control. Workshops used the example of peaceful activities in different camps (environmental protection, girl education). The young beneficiaries of Bandera Blanca have demonstrated autonomy and responsibility and to be bearers of civic values that allow them to move away from the violence to which adolescents and young people in



the Oblatos neighborhood are exposed to. They were able to construct conclusions and apply their intake in their daily lives for peaceful resolutions of conflicts (mediation).

Diversity, Equity and Inclusion initiative (DEI) – Chicago, USC

Following the death of George Floyd and the birth of the Black Life Matters movement, the Josephinum Academy, whose school community is predominantly of colour origins (Latin, African American, Asian), perceived a challenge in their (non) teaching on racism and diversity and recognized the need to develop a module on the issue. The Diversity, Equity and Inclusion has created an academic environment and community culture that is not only accepting and welcoming of a diverse student body but is recognized for taking a leadership position in DEI implementation, schoolwide. In the classroom, curricula proactively addressed the history and impact of systemic racism and inherent bias to better inform the students about the societal issues that affect their lives. The Josephine Academy has incorporated a way of teaching that helps students learn to be proud of themselves and their families; respect a range of human differences; recognize unfairness and bias; speak up for the rights of others; and to develop the will, skill, and capacity to have courageous conversations. Activities included: racial and equity workshops for students, staff and board members; diversifying authors in **students'** library; monthly/weekly events and round table talks on DEI topics. Concrete example: the school has hired Asian American and Latin teachers, increased its multicultural staff.



For their second meeting, the Commission will review project evaluations of the previous year and discuss the overall operation of the Solidarity Fund, e.g., criteria, application, process, evaluations.

Funds for victims of the Ukrainian-Russian conflict

In March 2022, the General Council launched a new international fund to support the victims of the Ukrainian-Russian conflict. This fund was managed by the Generalate Finance Office and donations could be made from provinces or others connected to the Society. The creation of the fund is in response to the many requests from within the international Society to offer financial support and to coordinate funding.

As of April 2022, the Generalate has financed 10 projects in Poland where the RSCJ sisters will continue to support Ukrainian refugees in 2023.

Below some projects:

Poland: Nuestra casa, es tu casa.

The project, in collaboration with the Open-Heart Foundation founded by **Urszula Głowacka rscj**, provided support to refugee families (mothers with children) in adapting to a new country, organizing workshops for mothers and children, promoting integration with the local community of families fleeing from war.



Poland: Solidarity in Action. HELP POINT Project

The project run in collaboration with Dominican sisters and local parish, **supervised by Bożena Kunicka rscj**, provided food and hygiene items for Ukrainian Refugees. A space also was created to welcome refugees and support them with basic items.



Poland: Welcome to Kindergarten



This project aimed to provide support of five Ukrainian children to attend the kindergarten in Tarnow. This will include cost of full board, planned outings, stationary and as necessary clothing and footwear. The five children are aged between 3 and 6 years old and live in Tarnow with their mothers.

Poland: Polish course for Ukrainians

This project provided an intensive Polish language course during the summer holidays in July and August 2022 for 40-50 refugees. The classes took place at the "Fundación Corazón Abierto" and the funding supported teacher's salary, teaching materials and other running costs for the classes.



Poland: Person Development Centre

The focus of the "Person Development Center", run by the Open-Heart Foundation, was supporting Ukrainian Refugees in acquiring new professional skills and helping them in finding a job in Poland. Participants took part in a Polish language course, a tailoring and handicraft course.



Cor Unum Covid-19 Fund

The Cor Unum Covid-19 Fund was established within the Society to support Provinces and their ministries who have been profoundly affected by this pandemic. Over the last three years (2020, 2021 and 2022), this fund distributed support to 81 projects in 12 provinces. The projects were in areas related to the re-opening of schools or ministries, the provision of immediate needs of food and medical protection, projects related to JPIC or climate change, alternative income or retraining, mental health support and vaccinations.

The Generalate in January 2022 allocated a fourth round of funding to the Cor Unum Covid-19 Fund and financed 12 projects in those Regions deeply hit by the Covid Pandemic: Africa (4), Asianz (3), and Philippine Duchesne (5).

Africa: School In N'Djamena, Chad.

Chad received financial support to provide materials for the provision of water for the community and the school, especially during the hot weather. The project also included support for students whose parents cannot pay tuition fees, support for supervisors for online courses and support for cleaning for the school.



South America: Ponce: Mental Health, Antilles

Funding for the services of a psychologist and consultant who will provide various workshops to members of the school community to support those impacted by the pandemic. The project includes a cycle of three (3) interactive and reflective personal and academic development workshops focused on enhancing the abilities of teachers, students, parents and the school community to become resilient to life's setbacks.

Asianz: Sadhna School, Sophia Campus, Mumbai, India.

Sisters in India received funding to support students with special needs, as they return to ordinary, person to person – interaction, which is very challenging given their disabilities. **Teachers' main task was to bring students back to their daily routine, managing their behavioral issues using various strategies to calm their thoughts, worries and anxieties about staying away from home.**



Asianz: Sacred Heart Institute for Transformative Education Foundation (SHIFT), Samar, Philippines.

SHIFT is located at Sophie's Farm in Northern Samar, one of the poorest provinces of the Philippines. SHIFT has different ministries where its personnel were assigned. During the pandemic, only the organic farm could be kept going, while other ministries **went on and off due to lockdowns.** A **"Pandemic Exit Plan"** for recovery of the Ministries has been done, but financial resources are needed for implementation. Included in this plan is preparation **for Sophie's Farm** to offer ecological exposure programs and eventually for eco-tourism for schools and other educational programs. Funding was for salaries, mission operations and communications.

Philippine Duchesne: Comunidad de Michaihue, San Pedro de la Paz, Chile.

The aim is to collaborate with training initiatives that help to remedy the damage caused by the pandemic in the whole development of children and adolescents through a comprehensive plan: recovery and levelling of learning and socio-emotional well-being.

The Covid Fund completed its funding and is currently closed.



Sustainability Fund

In January 2020, after extensive consultation, the General Council approved the priorities that guide decisions on the projects that the Sustainability Fund finances. Its central focus is the sustainable future of the Society's life and mission.

The Congregation's policy is to break down these financial resources into eldercare, formation aid, capital aid and aid for the ordinary life of communities in fragile economic conditions.

Formation and Capital Aid

One of the projects being supported by the sustainability fund, in relation to planning for initial formation for the Society internationally, is the construction of the international novitiate for the Asia and Australia-New Zealand region.

The District of the Philippines generously donated land for this new property and construction of the building began in late 2021, with a donation from the Duchesne Trust. Along 2022, the construction of the novitiate in the District of the Philippines has considerably progressed. By October 2022 all the architectural on Building A was finished, together with the 95% of plumbing and electrical fixtures, while works on Building B are still ongoing but about to completion.

The Asia and Australia-New Zealand formation community will move into the new building in January 2023.

Aid for formation of was furthermore provided to the Provinces of Uganda-Kenya, Indonesia, Congo-Chad and to the Vietnam Community. Part of this budget has been respectively assigned to UGK and RDC for the new African Common Formation project.

The region of Africa has decided to have one bilingual novitiate in Kimwenza RDC. To prepare the young women for this new venture, the provinces of the African region



have reflected on their initial formation program before and after the novitiate. After reviewing the previous program and looking at the need to prepare young women for the regional novitiate, the province has decided to have a two-year postulancy program. The first year is a residential

postulancy program with the accompaniment of a postulant mistress and with one more professed sister living with them.



This program started in January 2022, and has helped the young women build a community among themselves, get peer group accompaniment, and facilitate the organization of inputs. It has also supported mutual discernment. After one year of residential postulancy, the women from UGK will go to RDC-TCH Province and pursue their language study in Congo, while the RDC-TCH postulants will go to Kenya for their language study, living in a postulant community for one year.

Capital Aid was provided to the Provinces of Uganda-Kenya, Congo-Chad, Poland, Venezuela, India, Philippines, Mexico and Antilles. This included support of Provinces for capital projects, such as renovations and capital expenses for vehicles and equipment.

Ordinary Life of Communities

During the year to 31 December 2022, the Society provided aid to some Provinces who cannot afford their own costs for formation, international service and eldercare or capital projects.

Ordinary aid for the administration and living expenses of communities was provided to Philippines, Chad, Congo, Uganda, Indonesia, Vietnam and Venezuela to support their ministry. These funds are used by Provinces to support the daily lives of sisters, their provision of healthcare, support for regional or international meetings and development of a mission area. In particular, the Province of Congo-Chad has received funding over the last two years from the Mother House for the construction of new living accommodations for elderly sisters in one of our communities in Kinshasa,



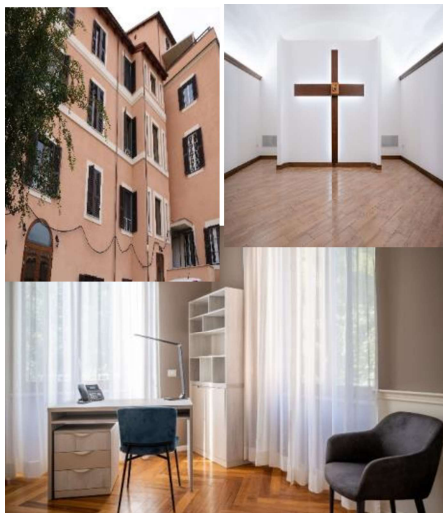
specifically in Kimwenza. The purpose of this house is to offer our elderly sisters a space that is suitable, given their age and increasingly vulnerable health conditions. This is a space where they will feel comfortable, fulfilled and safe, in order to respond to their mission of praying and supporting the mission of those who are still active in the whole Society.

It is a house with 48 rooms, of which 13 are on the ground floor and 35 on the first floor, with other facilities such as a chapel on the ground floor, an oratory on the first floor, two community rooms, two refectories, a treatment room, a gym. This is a multi-use building. The first level will be used as student housing and will offer space for retreat and prayer.

Historical and cultural heritage of the Society

The Villa Lante, located in the heart of Trastevere in Rome, is the historical and cultural heritage of the Society of the Sacred Heart and has been remodeled to house a Formation Center for Religious and Laity, a museum and the archives of the congregation.

Villa Lante

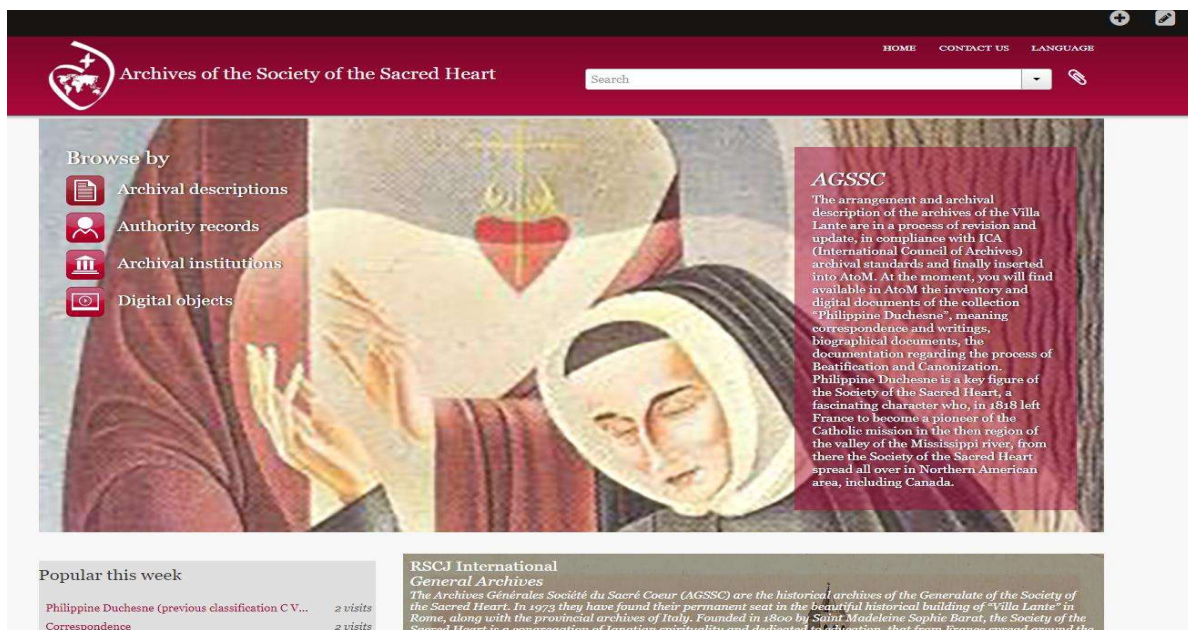


Over the past three years, the Villa Lante has undergone significant renovation, which is still ongoing and nearing completion. The “Villa Lante Conference Center” vision and mission is to provide a hub for the international Sacred Heart family who share our mission. Local and international religious and lay groups, whose missions align with the Society, will also be invited to gather to educate, learn, share, collaborate and form each other in shared visions and goals around spiritual renewal and Justice, Peace and Integrity of Creation (JPIC) initiatives.

A section of the complex known as Casa Betania opened formally in late October 2022 to welcome the probanists and two probation mistresses. They were the first group to use part of the newly renovated Villa Lante.

The other buildings are expected to open in late March 2023

General Archives

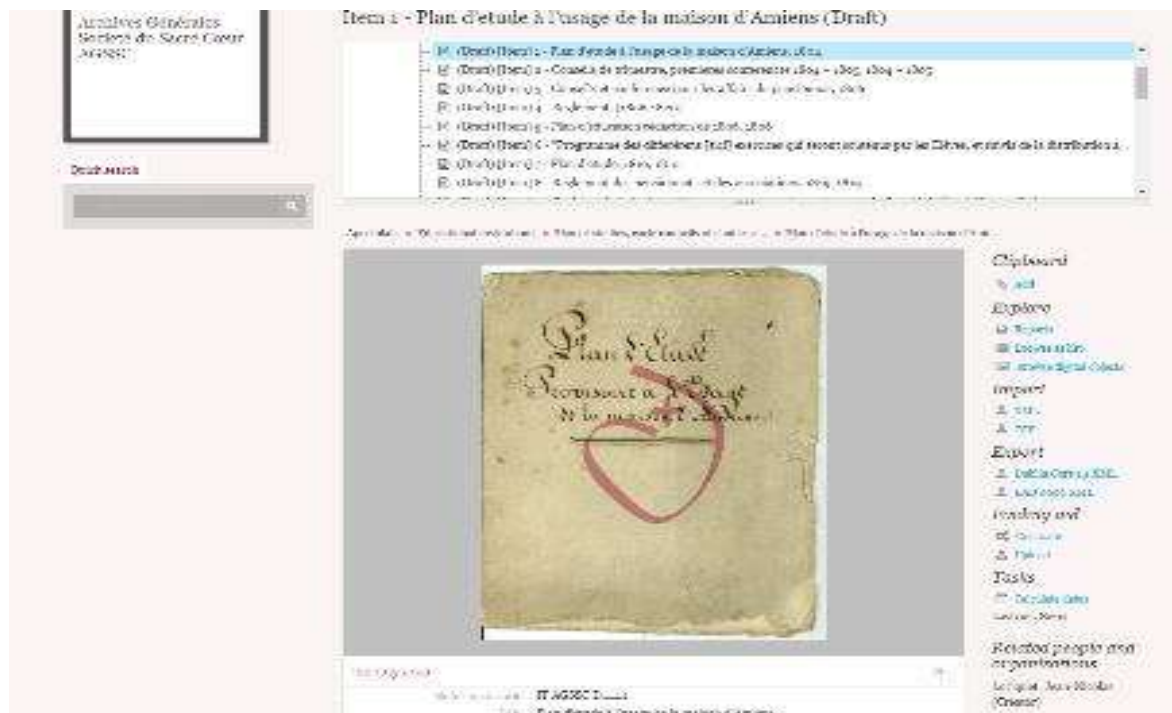


During the last year, the General Archives continued to respond to requests from historians, researchers and scholars, both inside and outside the Society, and continued to ensure the appropriate storage and recording of important documents for the Society.

Special projects carried out in 2022 are:

- Setting up of the new museum and display area of Villa Lante
- Restoration of Villa Lante's paintings and artifacts and setting up in the renewed spaces
- Updating of "Guidelines for Provincial Archives" for support and information of Provincial Archives
- Definition of strategies for digitisation projects for preservation of original documents and to implement consultation of documents from remote.

- Planning for collections to be made available on-line via AtoM (archival software) to facilitate and stimulate the use and study of archival material, patrimony of the Society of the Sacred Heart.
- Upgrade of archival spaces including new more efficient and sustainable ventilation system and a new room available for archival material



TRUSTEE BIOGRAPHIES

Sister Barbara Dawson (Chair)

is a native of San Francisco. Educated at the University of San Francisco and Stanford University, her ministries have included service in education, administration and immigration in both the U.S. and Jakarta, Indonesia. Barbara served as Provincial of the United States-Canada Province from 2012 to 2016 and she also held the position of Provincial for the U.S. Province from 1993-1999. In addition to leadership, Barbara has served as a teacher and administrator for schools including St. Martin de Porres in Oakland, California.; Lone Mountain College in San Francisco; and others throughout the U.S. She was in administration for various Catholic Charities and has addressed public policy and immigration issues in the San Francisco Bay area. She is a member of the bar in both California and Missouri, serves on the board of the Hilton Fund for Sisters and has served on the board of trustees for various academic institutions. Since 2016, Barbara has been the Superior General of the Society of the Sacred Heart and Chair of the Duchesne Trust.



Sister Anne Corry



has a professional background in education and mission promotion. Originally from New Zealand, she has lived in Rome since 2014 first as international coordinator for justice, peace and ecology and currently as a General Councillor for the Congregation. Anne has taught in high schools in Australia and New Zealand and has served on Boards of education and healthcare institutions of religious congregations. Anne has Masters degrees in Education and Theology and a Graduate Diploma in Legal Studies and Ethics. She has travelled widely in countries of Africa, Europe and Asia and lived for a few weeks in

Peru. All of this has contributed to her understanding of the mission-related activities **of her congregation around the world. Anne's current role gives her an overview of the** widespread mission of her international congregation.

Sister Mónica Esquivel Ballesteros

was born in Mexico in 1966. She joined the Society of the Sacred Heart in 1992 and has worked in formal education as well as alternative (“popular”) education and pastoral ministry. In formal education she worked as a secondary school mathematics teacher and as a school chaplain. In alternative education her work focused on women and young people, in the areas of communication, educational development, as well as the promotion and coordination of educational projects, teacher training and the creation of educational networks at municipal and regional level.



Mónica served for 8 years in the Society's mission in Nicaragua, working for the charity “**Roncalli-Juan XXIII Association**” in the areas of housing and education. She also worked for the Conference of Religious of Nicaragua as the Justice, Peace and Integrity of Creation (JPIC) coordinator.

Upon her return to Mexico in 2011, she worked in teacher training program for public schools in the municipality of Ayutla de los Libres, and was a member of the provincial council. In 2013 she was appointed Provincial of Mexico. During this time she was also a member of the Board of Directors of the Conference of Religious of Mexico. Since December 2016 she has been a member of the General Council of the Society of the Sacred Heart in Rome.

Sister Marie-Jeanne Elonga Abombpi Mokango



is a theologian by training and a graduate in education. She has experience in formal education, working at different times and in different places as a teacher, principal and head teacher. She spent some years in the formation of young RSCJ's in her province of the Democratic Republic of Congo (DRC) before serving as provincial and president of the Conference of Religious in the DRC. This last role helped her to interact with other congregations in the areas of initial and ongoing formation, management and self-financing. Currently, she is in her fifth year of international service with the General Council of the Society in Rome.

is a theologian by training and a graduate in education. She has experience in formal education, working at different times and in different places as a teacher, principal and head teacher. She spent some years in the formation of young RSCJ's in her province of the Democratic Republic of Congo (DRC) before serving as provincial and president of the Conference of Religious in the DRC. This last role helped her to interact with other congregations in the areas of initial and ongoing formation, management and self-financing. Currently, she is in her fifth year of international service with the General Council of the Society in Rome.

Sister Georgina Zubiria

studied to be a primary school teacher. For 9 years she was director of the Santa Cecilia School and later she was working with low-income women in popular education and gender perspective. Since she was studying to obtain her degree in Theological Sciences, she has worked in different areas of her province such as formation, treasury, and leadership. Georgina has experience working in non-profit organizations and transferring the management of both the School and the Finance Office to lay people. As a theologian, she has taught at the Universidad Iberoamericana, the Hispanic Pastoral Institute of the University of Santa Clara, other higher education institutions and religious congregations. She was Director of the Center for Theological Studies of the Interreligious Conference of Mexico (CIRM) and advisor to the Board of Directors of the Conference of Religious of Latin America and the Caribbean (CLAR). She participated in the creation and consolidation of the CIRM National Education Network. In recent years, she worked as a Canonical Treasurer in Mexico, and is now the Canonical Treasurer General of the Society of the Sacred Heart.



Sister Catherine Lloyd



has a background in formal education and ministry with young people, firstly as a teacher. After further formation in spiritual accompaniment and counselling using the arts, she returned to work as a **school chaplain in the Society's high school in London**. After final vows, Cath spent some time in the **Society's mission in Indonesia where she worked in** teacher education, theological formation and in a project with street children. On returning to the UK, Cath served as Novice Mistress in the Society and worked in the Formation department of the Conference of Religious of England and Wales, where with others she developed inter-congregational formation programmes. After further studies in organisational change, Cath worked on a team which facilitated organisations and groups as they developed areas of strategic planning and leadership formation. Between 2008-2016 she served on the General Council of her congregation. Although this ministry was based in Rome, her service took her to many different parts of the world. This experience broadened her mind and opened her

heart!! Cath returned to her home province in 2016 and once again took up a ministry of facilitation and spiritual formation in the UK and abroad. With colleagues she has worked as a co-facilitator on General and Provincial Chapters and a variety of meetings for different religious congregations. In 2019, Cath was asked to serve as Provincial in England -Wales and she remains in that ministry to the present day.

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.

In so far as the trustees are aware:

- ▶ **there is no relevant audit information of which the company's auditors are unaware;** and
- ▶ they have taken all necessary steps that they ought to have to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Barbara Dawson

Signed on behalf of the trustees by Sister Barbara Dawson,
Chair of Trustees

Approved by the trustees on 6th July 2023

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF DUCHESNE TRUST

Opinion

We have audited the financial statements of Duchesne Trust (the 'parent charity') and its controlling entities (the 'group') for the year ended 31 December 2022 which comprise the group and parent Statement of Financial Activities, group and parent charity Balance Sheet, group and parent charity cash flow statement and notes to the financial statements, including 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 2022, and of the group's incoming resources and application of resources, including its income and expenditure, 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast **significant doubt on the group and parent charity's ability to continue as a going concern** for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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**. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 and returns; 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 ...], the trustees are responsible for the preparation of the financial statements and for being satisfied that they 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 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 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.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory framework applicable to both the Charity itself and the environment in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the

directors and other management. The most significant were identified as the Charities Act 2013, Charity SORP FRS 102, UK GAAP (FRS102) and relevant tax legislation.

We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- ▶ making enquires of trustees and management as to where they consider there to be a susceptibility to fraud and whether they have any knowledge or suspicion of fraud;
- ▶ obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- ▶ assessing the design effectiveness of the controls in place to prevent and detect fraud;
- ▶ assessing the risk of management override including identifying and testing journal entries;
- ▶ challenging the assumptions and judgements made by management in its significant accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the FRC's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>.

This description forms part of our auditor's report.

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 *14 Aug 2023*

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

**GROUP STATEMENT OF FINANCIAL ACTIVITY
(INCLUDING INCOME AND EXPENDITURE ACCOUNTS)
AS AT 31 DECEMBER (IN €'000S)**

GROUP

	Note	Unrestricted	Restricted	2022	2021 RESTATED
Income from:					
Donations	2	549	4.944	5.493	15.509
Investment	3	2.066	0	2.066	1.805
Other income		79	0	79	37
Total income		2.694	4.944	7.638	17.351
Expenditure on:					
Investment manager fees		550	531	1.081	943
Supporting the charitable work of members of the Society of the Sacred Heart	4	3.777	1.200	4.977	7.697
Other costs	5	412	0	412	415
Total expenditure		4.739	1.731	6.470	9.055
Realised & unrealised investment and foreign currency gains/(losses) on revaluation		-7.627	-7.376	-15.003	19.687
Transfers		0	0	0	0
Net movement in funds		-9.673	-4.164	-13.837	27.983
Balances brought forward at 01 Jan		78.338	71.755	150.093	120.718
Prior year adjustment	15	-3.209	0	-3.209	-1.818
Revised balance brought forward		75.129	71.755	146.884	118.900
Balance carried forward at 31 Dec		65.456	67.591	133.047	146.884

Income and expenditure derive from ongoing activities. The statement of financial activities includes gains and losses recognised during the period.

CHARITY STATEMENT OF FINANCIAL ACTIVITY
(INCLUDING INCOME AND EXPENDITURE ACCOUNTS)
AS AT 31 DECEMBER (IN €'000S)

CHARITY

	Note	Unrestricted	Restricted	2022	2021 RESTATED
Income from:					
Donations	2	549	4.944	5.493	15.508
Investment	3	2.065	0	2.065	1.805
Other income		79	0	79	54
Total income		2.693	4.944	7.637	17.367
Expenditure on:					
Investment manager fees		550	531	1.081	943
Supporting the charitable work of members of the Society of the Sacred Heart	4	3.204	1.200	4.404	7.655
Other costs	5	412	0	412	415
Total expenditure		4.166	1.732	5.897	9.013
Realised & unrealised investment and foreign currency gains/(losses) on revaluation		-7.627	-7.376	-15.003	19.686
Transfers		0	0	0	0
Net movement in funds		-9.100	-4.164	-13.264	28.040
Balances brought forward at 01 Jan		77.411	71.755	149.166	119.733
Prior year adjustment	15	-3.209	0	-3.209	-1.818
Revised balance brought forward		74.200	71.755	145.955	117.915
Balance carried forward at 31 Dec		65.099	67.591	132.690	145.955

Income and expenditure derive from ongoing activities. The statement of financial activities includes gains and losses recognised during the period.

**GROUP BALANCE SHEET
AS AT 31 DECEMBER (IN €'000s)**
GROUP

	Notes	2022	2021 RESTATED
FIXED ASSETS			
Fixed assets	8	483	665
Social Investments		0	750
Investments	9	164.080	177.886
Total fixed assets		164.563	179.301
CURRENT ASSETS			
Debtors	10	14	251
Cash at bank		7.473	8.081
		7.487	8.332
CREDITORS			
Amounts falling due within a year (non-investments)	11	8.601	8.223
Amounts due to provinces (non-investment)		1.707	1.524
Accruals		658	571
Commitments		6.236	6.128
Amounts falling due within a year (investments)	11	30.402	32.526
		39.003	40.749
NET CURRENT ASSETS		-31.516	-32.417
TOTAL NET ASSETS		133.047	146.884
RESTRICTED FUNDS			
	12,14	67.591	71.755
Ukraine		0	0
Solidarity		0	0
Covid Cor Unum		135	305
Heritage		789	900
Future Sustainability		66.667	70.550
UNRESTRICTED FUNDS	12,14	65.456	75.129
Designated		14.855	15.428
Solidarity		6.029	6.086
Formation		2.801	3.317
Future Sustainability		6.025	6.025
General funds		50.601	59.701
TOTAL FUNDS		133.047	146.884

Approved by the trustees on 6th July 2023 and signed on their behalf by
Sister Barbara Dawson
Chair of Trustees

**CHARITY BALANCE SHEET
AS AT 31 DECEMBER (IN €'000s)**
CHARITY

	Notes	2022	2021 RESTATED
FIXED ASSETS			
Fixed assets	8	0	0
Social Investments		0	750
Investments	9	164.080	177.886
Total fixed assets		164.080	178.636
CURRENT ASSETS			
Debtors	10	0	218
Cash at bank		7.249	7.764
		7.249	7.982
CREDITORS			
Amounts falling due within a year (non-investments)	11	8.237	8.137
Amounts due to provinces (non-investment)		1.707	1.524
Accruals		294	205
Commitments		6.236	6.408
Amounts falling due within a year (investments)	11	30.402	32.526
		38.639	40.663
NET CURRENT ASSETS		-31.390	-32.681
TOTAL NET ASSETS		132.690	145.955
RESTRICTED FUNDS			
	12,14	67.591	71.755
Ukraine		0	0
Solidarity		0	0
Covid Cor Unum		135	305
Heritage		789	900
Future Sustainability		66.667	70.550
UNRESTRICTED FUNDS	12,14	65.099	74.200
Designated			
Solidarity		6.029	6.086
Formation		2.801	3.317
Future Sustainability		6.025	6.025
General funds		50.244	58.772
TOTAL FUNDS		132.690	145.955

Approved by the trustees on 6th July 2023 and signed on their behalf by
Sister Barbara Dawson
Chair of Trustees

**GROUP CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER (IN €'000s)**

GROUP

	2022	2021 RESTATED
Cash flows from operating activities:		
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	-13.837	27.984
(Decrease)/Increase in creditors	538	9.242
Decrease/(Increase) in debtors	77	1.007
Depreciation charges	222	231
Investment income	-2.066	-1.805
Net realised and unrealised investment and foreign currency gains/(losses) on revaluation on investments	12.548	-19.686
Net cash provided by / (used in) operating activities	-2.464	-21.260
Cash flows from investing activities:		
Investment income	2.066	943
Net (additions)/withdrawals to investments	-116	7.697
Purchase of new fixed assets	-39	21.079
Proceeds from the sale of fixed assets	0	0
	0	415
Net cash provided by investing activities	1.910	415
Change in cash and cash equivalents in the year	-607	-596
Balances brought forward at 01 Jan	8.081	8.177
Balance carried forward at 31 Dec	7.473	8.081

**CHARITY CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER (IN €'000s)**

CHARITY

	2022	2021 RESTATED
Cash flows from operating activities:		
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	-13.264	28.039
(Decrease)/Increase in creditors	99	9.426
Decrease/(Increase) in debtors	218	1.036
Depreciation charges	0	0
Investment income	-2.065	-1.805
Net realised and unrealised investment and foreign currency gains/(losses) on revaluation on investments	12.548	-19.686
Net cash provided by / (used in) operating activities	-2.464	17.010
Cash flows from investing activities:		
Investment income	2.065	943
Net (additions)/withdrawals to investments	-116	7.655
Purchase of new fixed assets	0	21.079
Proceeds from the sale of fixed assets	0	0
	0	415
Net cash provided by investing activities	1.949	415
Change in cash and cash equivalents in the year	-515	37.674
Balances brought forward at 01 Jan	7.765	7.789
Balance carried forward at 31 Dec	7.249	7.765

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

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.

Consolidation

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

- ▶ the third-party entity is financially dependent upon the charity and would not be **able to continue without the charity's support, and**
- ▶ 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.

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.

All income donations received are verified with the recipient at the time of receipt to ensure that the intention of the donations is fully understood and accounted for correctly.

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:

- ▶ **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.
- ▶ 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.
- ▶ All costs are directly attributable to specific activities.

Fixed Assets

Tangible fixed assets 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:

- ▶ Land & Buildings 3%
- ▶ Equipment 15%
- ▶ Vehicles 25%

Debtors & Creditors

- ▶ Debtors - Debtors are recognised at the settlement amount due.

- **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.

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.

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	
	2022	2021 RESTATED	2022	2021 RESTATED
Funds received from the Duchesne Trust:				
- Generalate (donation)	-	-	-	-
- Provinces (donation)	5.493	15.509	5.493	15.508
Total donations	5.493	15.509	5.493	15.508

3. INVESTMENT INCOME (IN €'000S)

	GROUP		CHARITY	
	2022	2021	2022	2021
Investment income (dividend & interest)	2.066	1.805	2.065	1.805

4. SUPPORTING THE CHARITABLE WORK OF MEMBERS OF THE SOCIETY OF THE SACRED HEART (IN €'000S)

	GROUP		CHARITY	
	2022	2021 RESTATED	2022	2021 RESTATED
Donations to the Society of the Sacred Heart:				
- Generalate (donation)	3.230	4.649	2.657	4.846
- Provinces (donation)	1.747	3.048	1.747	3.048
Total donations	4.977	7.697	4.404	7.894

5. OTHER COSTS (IN €'000S)

	GROUP		CHARITY	
	2022	2021	2022	2021
Auditors remuneration	17	12	17	12
Other professional fees	386	403	386	403
Other costs	9	-	9	-
Total	412	415	412	415

6. STAFF COSTS AND TRUSTEES' REMUNERATION (IN €'000S)

The group had salary costs of:

	GROUP	
	2022	2021
Salaries	931	752
Social costs	215	197
TOTAL GROUP COSTS	1,146	949

The charity has no employees (31 December 2021- none) and, therefore, no staff costs were incurred during the year (31 December 2021 - €nil).

During the year the group had an average of 16 employees (31 December 2021: 16).

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

Number	
€70,001 - €80,000	1
€80,001 - €90,000	2
€160,001 - €170,000	1

None of the trustees received any remuneration in respect of their services during the year (31 December 2021 - €nil). **Expenses incurred by the trustees in the performance of their duties were not reimbursed during the year (31 December 2021 - €nil).**

During the year ex-gratia payments totalled €121k were made (2021 €nil)

7. 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.

8. FIXED ASSETS (GROUP) (IN €'000S)

	Land & Building	Equipment	Vehicles	TOTAL
Opening cost as at 1 January 2022	5,842	455	18	6,315
Additions	-	40	-	40
Closing cost as at 31 december 2022	5,842	495	18	6,355
Brought forward acc. depreciation as at 1 January 2022	5,258	374	18	5,650
Charge for the year	197	25	-	222
Total accumulated depreciation as at 31 december 2022	5,455	399	18	5,872
Total Net Book Value as at 31 December 2022	387	96	-	483
Total Net Book Value as at 31 December 2021	584	81	-	665

The charity has no fixed assets.

9. INVESTMENTS (IN €'000S)

Movements in investments are summarised below:

Movements in investments	GROUP		CHARITY	
	2022	2021 RESTATED	2022	2021 RESTATED
Market value at 1 January	178.636	138.014	178.636	138.014
Net (withdrawals)/additions from sales & purchases	116	16.872	116	16.872
Net investments transferred to the Duchesne Trust from the Society of the Sacred Heart provinces	331	1.969	331	1.969
Net unrealised investment & exchange gains/losses – Provincial investments	(2.456)	4.609	(2.456)	4.609
Net unrealised investment & exchange gains/losses – Generalate investments	(12.547)	16.422	(12.547)	16.422
Market value at 31 December	164.080	177.886	164.080	177.886

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

	GROUP		CHARITY	
	2022	2021	2022	2021
Equities	84.658	107.443	84.658	107.443
Fixed interest securities	20.699	24.076	20.699	24.076
Alternatives	26.421	24.548	26.421	24.548
Property	16.363	12.274	16.363	12.274
Cash	15.939	9.545	15.939	9.545
Market value at 31 December	164.080	177.886	164.080	177.886

10. DEBTORS (IN €'000S)

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

	GROUP		CHARITY	
	2022	2021	2022	2021
Democratic Republic of Congo Province	-	218	-	218
Other debtors	14	33	-	-
Market value at 31 December	14	251	-	218

The loan to the Democratic Republic of Congo Province was fully repaid during the year

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (IN €'000S)

	GROUP		CHARITY	
	2022	2021 RESTATED	2022	2021 RESTATED
Amounts due to provinces – Non Investment	1.707	1.524	1.707	1.524
Accruals	658	571	294	205
Commitments	6.236	6.128	6.236	6.408
Sub-total	8.601	8.223	8.237	8.137
Amounts due to provinces – Investment	30.402	32.526	30.402	32.526
Total	39.003	40.749	38.639	40.663

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 9) net of all disbursements and gains or losses on the investment.

12. FUND BALANCES ALLOCATED FOR SPECIFIC PURPOSES (IN €'000S)

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:

	GROUP				
	1 January 2022 RESTATED	Income	Expenditure	Investment gains (net of fees)	31 December 2022
RESTRICTED FUNDS					
Future Sustainability	70.550	4.576	(1.233)	(7.226)	66.667
Cor Unum Covid	305	-	(258)	(47)	-
Heritage	900	-	(7)	(104)	789
Ukraine Russia Support	-	188	(54)	-	134
Solidarity	-	180	(180)	-	-
Total restricted funds	71.755	4.944	(1.732)	(7.377)	67.590
UNRESTRICTED FUNDS	-	-	-	-	-
Designated funds	-	-	-	-	-
Formation	3.317	-	(516)	-	2.801
Solidarity	6.086	-	(57)	-	6.029
Future Sustainability	6.025	-	-	-	6.025
Generalate	59.701	2.694	(4.166)	(7.627)	50.601
Total unrestricted funds	75.129	2.694	(4.739)	(7.627)	65.457
TOTAL FUNDS as at 31 December 2022	146.884	7.638	(6.471)	(15.004)	133.047

CHARITY

	1 January 2022 RESTATED	Income	Expenditure	Investment gains (net of fees)	31 December 2022
RESTRICTED FUNDS					
Future Sustainability	70.550	4.576	(1.233)	(7.226)	66.667
Cor Unum Covid	305	-	(258)	(47)	-
Heritage	900	-	(7)	(104)	789
Ukraine Russia Support	-	188	(54)	-	134
Solidarity	-	180	(180)	-	-
Total restricted funds	71.755	4.944	(1.732)	(7.377)	67.590
UNRESTRICTED FUNDS					
Designated funds					
Formation	3.317	-	(516)	-	2.801
Solidarity	6.086	-	(57)	-	6.029
Future Sustainability	6.025	-	-	-	6.025
Generalate	58.772	2.694	(3.594)	(7.627)	50.244
Total unrestricted funds	74.200	2.694	(4.167)	(7.627)	65.100
TOTAL FUNDS as at 31 December 2022	145.955	7.638	(5.899)	(15.004)	132.690

GROUP & CHARITY

Restricted

- 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.
- 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.
- 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 was discussed at the Special Chapter 2021 and decisions will be implemented in 2022. Details of the types of funding are set out in a document titled "Priorities for Future Sustainability".

- d) Heritage – The fund was set up to facilitate the maintenance of heritage assets within the Society of the Sacred Heart. Specifically, the heritage property located in Joigny, France.
- e) Ukraine-Russia support – The fund was set up to support the victims of the Ukrainian Russian conflict with assistance and psychological counselling of women and children, language teaching, facilitation of social integration, training for employment.

Designated

- a) 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.
- b) 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.
- c) 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.
- d) 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."

13. RELATED PARTY TRANSACTIONS

No related party transactions took place during the year.

14. ALLOCATION OF RESERVES (IN €'000s)**GROUP**

	Unrestricted reserves	Designated reserves	Restricted reserves	TOTAL
Fixed assets	31.516	65.456	67.591	164.563
Current assets	7.487	-	-	7.487
Current liabilities - non-investment	(8.601)	-	-	(8.601)
Current liabilities - Province investments	(30.402)	-	-	(30.402)
Total reserves	-	65.456	67.591	133.047

CHARITY

	Unrestricted reserves	Designated reserves	Restricted reserves	TOTAL
Fixed assets	31.390	65.099	67.591	164.080
Current assets	7.249	-	-	7.249
Current liabilities - non-investment	(8.237)	-	-	(8.237)
Current liabilities - Province investments	(30.402)	-	-	(30.402)
Total reserves	-	65.099	67.591	132.690

15. PRIOR PERIOD ADJUSTMENT

During the course of the year two error were discovered relating to the following items:

- ▶ Liability due to a Province related to their investment being understated resulting **in the liability increasing by €2.2 million, and**
- ▶ A commitment that should have recorded at the time of the receipt of funding for **a project of €1.8 million**

The impact to the Statement of Financial Activities in the year ending 31 December **2021** was an increase in expenditure of **€1.8 million** and a reduction in the unrealised gains and losses of **€2.2 million** resulting in the reserves decreasing in the year by **€4.0 million**.