



# Power of humanity

Council of Delegates of the International Red Cross  
and Red Crescent Movement

22 – 23 June 2022, Geneva, Switzerland

## Report of the Joint Commission of the Empress Shôken Fund

PROGRESS REPORT

May 2022

**EN**

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For information

Document prepared by the Joint Commission of the Empress Shôken Fund

# EXECUTIVE SUMMARY

This is the report on the Empress Shôken Fund to the Council of Delegates, as mandated in Article 10 of the regulations of the Fund (see attachment).

The Empress Shôken Fund granted a total of CHF 400,160 to 14 projects in 2020, and CHF 475,997 to 16 projects in 2021. Moreover, 2021 marked the Fund's 100th year of awarding grants, with over CHF 14 million allocated in grants to 170 National Societies since 1921. For the occasion, a short video was produced to highlight what the Fund stands for and showcase how it has supported National Societies through the years. A second [video](#) was also made to increase awareness about the Fund among National Societies and its focus on supporting innovation, which resulted in a significant increase in the number of applications submitted in 2021 (52, the highest number since 2018).

## 1) INTRODUCTION

The Empress Shôken Fund was established in 1912 when HM Empress Shôken of Japan donated 100,000 Japanese yen and created an international fund to increase the peacetime activities of all National Societies, broadening the role of the Red Cross and Red Crescent beyond its wartime activities. In 1934, a second gift from HM Empress Kojun and HM Dowager Empress Teimei increased the Fund to 200,000 Japanese yen.

Over the years, thanks to generous contributions from the Japanese imperial family, the Meiji Jingu and the Japanese Red Cross Society, the value of the Fund's capital has steadily grown, totalling CHF 12,361,082 in December 2020.

It operates as an endowment fund, awarding annual grants for the implementation of National Society projects.

The purpose of the Fund is to support National Society peacetime activities in the areas of disaster preparedness, health, youth, blood services, first aid and rescue, social welfare, the dissemination of the humanitarian ideals of the Red Cross and Red Crescent and activities related to National Society development.

On 11 April each year – the anniversary of the Empress's death – the Joint Commission announces the allocation of grants to National Societies. The Fund received 63 applications in the past two years. The Joint Commission aims to distribute at least CHF 300,000 to National Societies every year, and has met this target in recent years, with the Fund having recovered from a subdued performance following the correction in financial markets in 2018. The Joint Commission continues to stress the importance of good quality, well-presented applications which emphasize the sustainability of the project and are consistent with the Fund's criteria and regulations, with a focus on originality, innovation and learning. The Joint Commission encourages National Societies to contact the country and regional delegations of the International Federation of Red Cross and Red Crescent Societies (IFRC) and the International Committee of the Red Cross (ICRC) for support when preparing their applications.

## 2) THE JOINT COMMISSION MEMBERS

The Fund is administered by the Joint Commission of the Empress Shôken Fund which decides on the annual allocation of grants and oversees its financial management.

The Joint Commission continues to meet annually under the chairmanship of the ICRC, with secretariat support and daily management provided by the IFRC. It is chaired by Mr Melchior de Muralt. Other members of the Commission include Mr Shaun Hazeldine and Mr David Silvaraja from the IFRC, and Mr Emmanuel Séité and Ms Christine Zaninetti from the ICRC. Ms Hayfa Khalidy took over from Mr Jeremy Mortimer (both from the IFRC) as secretary to the Commission in 2020.

### 3) FINANCIAL SITUATION OF THE FUND

The value of the Fund as at 31 December 2020 was CHF 16.97 million. In 2020, net income over expenditure from operating activities was CHF 240,982, down on the 2019 figure of CHF 389,646. The unrealized gain on investments in 2020 was CHF 402,786 (CHF 1,195,087 in 2019).

### 4) GRANT ALLOCATIONS 2020–2021

In 2020 and 2021, there were two rounds of distributions of the Empress Shôken Fund (the 99th and 100th distributions) to 29 National Societies, with allocations totalling CHF 876,157, as detailed below.

#### A) 99TH DISTRIBUTION – 2020

Region/ National Society	Programme/project	Grant allocation (CHF)
<i>Africa</i>		
<b>Namibia</b>	<b>First-aid awareness for schools</b> To provide intensive first-aid training and certification in ten schools.	<b>28,940</b>
<b>Sierra Leone</b>	<b>Voluntary blood donation and emergency obstetrics care</b> To increase access to safe blood products, especially for pregnant women and infants.	<b>24,226</b>
<b>Uganda</b>	<b>E-recruitment of blood donors</b> To develop the online recruitment of adult blood donors to complement student donation during school holidays.	<b>30,000</b>
<i>Americas</i>		
<b>Argentina</b>	<b>School for Managers</b> To generate virtual spaces for dialogue and debate by developing and designing online courses.	<b>22,694</b>
<b>Panama</b>	<b>Promoting a culture of peace and environmental responsibility</b> To promote a culture of peace and non-violence and environmental education (responsibility on climate change).	<b>32,882</b>
<b>Trinidad and Tobago</b>	<b>Creating a culture of disaster preparedness through virtual reality</b> To increase public awareness about disasters by using virtual reality technology.	<b>29,900</b>

<i>Asia Pacific</i>		
<b>Timor-Leste</b>	<b>Improving knowledge of reproductive health among young people</b> To carry out a public awareness and education campaign for young people on reproductive health.	<b>29,799</b>
<b>Tonga</b>	<b>Safe transport for disabled children at a disability centre</b> To provide safer vehicles for transportation for disabled children at the OTA disability centre in Tonga.	<b>34,100</b>
<i>Europe</i>		
<b>Bulgaria</b>	<b>Introduction of an online first-aid training platform</b> To develop an online first-aid training platform to facilitate theoretical learning.	<b>28,000</b>
<b>Greece</b>	<b>Disaster risk response in critical Greek communities</b> To establish branch and community disaster response teams.	<b>28,250</b>
<b>Lithuania</b>	<b>Enlisting trained first aiders to promote first aid among families and friends and in the workplace</b> To enlist satisfied first aiders after they have completed their training to promote first aid among their families, friends and work colleagues.	<b>24,810</b>
<b>Montenegro</b>	<b>Enhancing volunteering</b> To mobilize youth leaders and raise awareness about volunteering.	<b>28,188</b>
<i>Middle East and North Africa</i>		
<b>Iraq</b>	<b>Preparing female trainers to raise awareness on breast cancer</b> To train female volunteers to raise awareness and disseminate information about early detection methods to reduce breast cancer mortality.	<b>28,371</b>
<b>Palestine</b>	<b>Organizational development – in-house capacity building</b> To establish a computer lab as a continuing education unit for all Palestine Red Crescent Society staff and volunteers.	<b>30,000</b>
	<b>Total for 2020</b>	<b>400,160</b>

## B) 100TH DISTRIBUTION – 2021

<b>Region/ National Society</b>	<b>Programme/project</b>	<b>Grant allocation (CHF)</b>
<i>Africa</i>		
<b>Benin</b>	<b>Supporting women's sexual and reproductive health and autonomy</b>	<b>30,000</b>

	To reinforce and formalize income-generating activities carried out by women's clubs in the communes of Lokossa and Toviklin and increase access to information on their health and that of their family.	
<b>Kenya</b>	<b>Digital Volunteering for Youth</b> To launch an online volunteer platform to enable young people to access available volunteering opportunities, given the limited need for physical presence due to the pandemic.	<b>32,952</b>
<b>Malawi</b>	<b>Capacity building for Malawi Red Cross Society disaster response units</b> To form a pool of trained emergency response team members at all branches who can be deployed within 72 hours to respond effectively and efficiently to disasters.	<b>29,965</b>
<b>South Sudan</b>	<b>Caring for the environment by planting trees</b> To improve nutrition in vulnerable communities by planting fruit trees, contributing to climate change adaptation in the targeted areas.	<b>30,000</b>
<b>Americas</b>		
<b>Argentina</b>	<b>Integrated management system for the organizational development of the National Society: Human talent management module</b> To develop a human talent management module using new technologies to be implemented in 65 branches to collect and validate data that will serve as a basis for internal decision-making.	<b>30,000</b>
<b>Bahamas</b>	<b>Resilient Islands – Capacity building for climate-resilient communities</b> To strengthen the capacities of National Society branch staff and volunteers and expand its network on five target islands to implement community- and ecosystem-based approaches for disaster risk reduction and increased climate resilience.	<b>30,000</b>
<b>Costa Rica</b>	<b>Building safe environments through community-based first aid, risk prevention and emergency response in the Cabecar and Bribri indigenous territories</b> To enable indigenous communities to better manage emergencies and disasters in remote areas.	<b>30,000</b>
<b>Nicaragua</b>	<b>Improving self-care and protection for the elderly against COVID-19 in three care homes located in the municipalities of Somoto, Sebaco and Jinotepe</b> To provide medical assistance, prevent and control infection and promote mental health as a basic element of self-care through training, knowledge transfer, support sessions and other activities.	<b>29,494</b>
<b>Asia Pacific</b>		
<b>Pakistan</b>	<b>Improving storage capacity and automating the blood distribution mechanism of the regional Blood Donor Centre (BDC)</b>	<b>25,678</b>

	To improve storage capacity for fresh frozen plasma, automate the blood distribution mechanism to increase the capacity of the BDC and create awareness on voluntary non-remunerated blood donation by celebrating World Blood Donor Day in 2021.	
<b>Philippines</b>	<b>WASH for All</b> To develop and produce water, sanitation and hygiene (WASH) guidelines and disseminate them in the community.	<b>30,000</b>
<b>Viet Nam</b>	<b>Strengthening the project management and social welfare capacities of the Viet Nam Red Cross</b> To provide training courses on project proposal writing, project management, planning, monitoring, evaluation and reporting (PMER) and social welfare for National Society personnel.	<b>30,000</b>
<b>Timor-Leste</b>	<b>Reproductive Health Phase 2</b> To increase young people's knowledge of reproductive health.	<b>30,000</b>
<b><i>Europe</i></b>		
<b>Estonia</b>	<b>Increasing the regional competencies of the Estonian Red Cross (ERC) via the volunteer development system</b> To develop and increase the competencies of the ERC in four key areas, including in volunteer recruitment, training and retention, with the creation of a volunteer database.	<b>30,000</b>
<b>Georgia</b>	<b>Continuing the fight for better health</b> To lessen the impact of COVID-19 by increasing awareness about hygiene practices and the importance of vaccination and promoting the immunization process.	<b>28,208</b>
<b>Romania</b>	<b>Courage, Authenticity, Respect, Equality (CARE)</b> To reduce the vulnerability of 60 teenagers in residential care homes in Bucharest and Ilfov using psychosocial methods to give them knowledge and skills to develop safe relationships.	<b>29,700</b>
<b><i>Middle East and North Africa</i></b>		
<b>Iran</b>	<b>Local capacity building with a focus on developing small businesses in outreach areas</b> To train and develop local partnership institutions with a small business approach to enable members of the community in target areas to carry out income-generating activities.	<b>30,000</b>
	<b>Total for 2021</b>	<b>475,997</b>

Appendices: Regulations (in force since 2015)  
Statement of Accounts for 2019 and 2020

# Empress Shôken Fund

## Regulations

***(Approved by the Sixteenth International Conference of the Red Cross, London 1938, and revised by the Nineteenth International Conference, New Delhi 1957, the Twenty-fifth International Conference, Geneva 1986, the Council of Delegates, Budapest 1991, the Twenty-seventh International Conference, Geneva, 1999, the Twenty-eighth International Conference, Geneva 2003, the Council of Delegates, Seoul 2005 and Geneva 2015)***

**Article 1** - The sum of 100,000 yen in Japanese gold presented by H.M. The Empress of Japan to the International Red Cross on the occasion of the Ninth International Conference (Washington, 1912) to promote "relief work in time of peace", was increased to 200,000 yen by a further gift of 100,000 yen from their Majesties The Empress and The Dowager Empress of Japan, on the occasion of the Fifteenth International Conference, (Tokyo, 1934). The Fund was further increased by a gift of 3,600,000 yen from H.M. The Empress of Japan, on the occasion of the Red Cross Centenary in 1963, and by successive contributions from the Government of Japan since 1966, and from the Japanese Red Cross Society. This fund shall be entitled: "The Empress Shôken Fund".

**Article 2** - The Fund shall be administered and its revenues distributed by a Joint Commission of six members chosen in their personal capacity. The Joint Commission shall be composed equally of three members appointed by the International Committee of the Red Cross and three by the International Federation of Red Cross and Red Crescent Societies; the quorum shall be four. The Chairman of the Joint Commission shall be on a permanent basis one of the representatives of the International Committee of the Red Cross whereas the International Federation of Red Cross and Red Crescent Societies shall provide the Joint Commission's Secretariat. The Joint Commission shall meet at Geneva, in principle at the headquarters of the International Federation of Red Cross and Red Crescent Societies.

**Article 3** - The capital of the Fund as well as subsequent donations and contributions shall remain intact. The reserve for loss on investment has to be kept at adequate level (up to 20% of total assets) through donations, interest and capital gains. Only revenues provided by interest and capital gains may be used for allocations awarded by the Joint Commission to meet all or part of the cost of the activities enumerated below:

- (a) Disaster preparedness
- (b) Activities in the field of health
- (c) Blood transfusion services
- (d) Youth activities
- (e) First aid and rescue programs
- (f) Activities in the field of social welfare
- (g) Dissemination of the humanitarian ideals of the Red Cross and Red Crescent
- (h) Such other programs of general interest for the development of the activities of the National Red Cross and Red Crescent Societies.

**Article 4** - National Red Cross and Red Crescent Societies wishing to receive an allocation shall make the necessary application through their Central Committees to the Secretariat of the Joint Commission before 31 December of the year preceding that in which the allocations are to be made. Applications shall be supported by full details concerning the particular activity selected from among those specified in Article 3 above.

**Article 5** - The Joint Commission shall examine the applications mentioned in the previous Article and shall make such allocations as it considers just and suitable. It shall each year communicate the decisions it has taken to National Red Cross and Red Crescent Societies.

**Article 6** - National Red Cross and Red Crescent Societies which feel obliged by circumstances to put the allocations received to uses other than those specified in their applications for grants under Article 4 must ask for the Joint Commission's approval before doing so.

**Article 7** - National Red Cross and Red Crescent Societies shall send to the Joint Commission, not later than twelve months after receipt of the allocations, a report on the use of the allocations received.

**Article 8** - The announcement of distribution shall take place each year on 11 April, the anniversary of the death of H.M. The Empress Shôken.

**Article 9** - A sum which shall not exceed CHF 50,000 shall be set aside to cover the cost of administering the Fund and of assisting the National Societies concerned in the realization of their projects.

**Article 10** - The Joint Commission shall present to each Council of Delegates of the Red Cross and Red Crescent a report on the current financial situation of the Fund, the allocations which have been made since the preceding Council and the use made of those allocations by National Societies. The Council of Delegates shall transmit this report to the Japanese Imperial Family through the intermediary of the Japanese Red Cross Society.





**The Empress Shôken Fund, Geneva**

Report of the Independent Auditor  
to the Members of Joint Commission  
on the Financial Statements

Financial Statements 2020



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## **Report of the Independent Auditor to the Members of the Joint Commission on the Financial Statements of The Empress Shôken Fund, Geneva**

### **Opinion**

We have audited the accompanying financial statements of The Empress Shôken Fund ("the Fund"), which comprise the balance sheet, statement of income and expenditure and notes to the financial statements, including a summary of significant accounting policies ('the financial statements') for the year ended 31 December 2020.

In our opinion, the accompanying financial statements of The Empress Shôken Fund for the year ended 31 December 2020 are prepared, in all material respects, in accordance with the accounting policies set out in the notes to the financial statements.

### **Basis of Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Switzerland, 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 audit opinion.

### **Emphasis of Matter - Basis of Accounting**

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the Fund to meet the requirements of the Regulation for The Empress Shôken Fund. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

### **Responsibilities of the Secretary of the Joint Commission and Those Charged with Governance for the Financial Statements**

The Secretary of the Joint Commission is responsible for the preparation of the financial statements in accordance with the accounting policies set out in the notes and for such internal control as the Secretary of the Joint Commission determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Secretary of the Joint Commission is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Joint Commission either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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 International Standards on Auditing (ISAs) 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.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis of our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Secretary of the Joint Commission.
- Conclude on the appropriateness of the Secretary of the Joint Commission's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG SA

Hélène Béguin  
Licensed Audit Expert

Elodie Elloy  
Licensed Audit Expert

Geneva, 16 March 2021

Enclosure:

- Financial statements (balance sheet, statement of income and expenditure and notes) for the year ended 31 December 2020

**EMPRESS SHÔKEN FUND**

Balance Sheet as at 31 December

	<u>2020</u> CHF	<u>2019</u> CHF
<b><u>ASSETS</u></b>		
<i>Current assets</i>		
Derivative financial instruments measured at fair value (Note 8)	777	811
Cash at banks	194,126	517,191
Money Market Funds	332,312	-
Investments (Note 5)	16,449,932	16,163,624
	<b><u>16,977,147</u></b>	<b><u>16,681,626</u></b>
 <b><u>LIABILITIES AND CAPITAL RESERVES</u></b>		
<i>Current liabilities</i>		
Accounts payable (Note 7)	78,651	18,969
<b>Total Current liabilities</b>	<b>78,651</b>	<b>18,969</b>
 <b>Capital &amp; Reserves</b>		
Capital (Note 3)	12,361,082	12,316,504
Reserve for loss on investments ( Note 6)	3,289,986	3,232,725
Reserve for future distributions (Note 4)	1,247,428	1,113,428
<b>Total Capital &amp; Reserves</b>	<b>16,898,496</b>	<b>16,662,657</b>
	<b><u>16,977,147</u></b>	<b><u>16,681,626</u></b>

**EMPRESS SHÔKEN FUND**

Statement of Income and Expenditure for the year 31 December

	<u>2020</u> CHF	<u>2019</u> CHF
<b><u>OPERATING INCOME</u></b>		
Dividend and interest income, tax refund	105,923	184,831
Japan Red Cross contributions	44,578	44,679
Realized gain on investments and derivative financial instruments	168,384	251,145
	<u>318,885</u>	<u>480,655</u>
<b><u>OPERATING EXPENDITURE</u></b>		
Investment manager fee	17,788	17,493
Fund administration fee	50,000	50,000
Audit fee	4,250	4,250
Bank transfer charges	433	297
Courier expenses	-	37
Translation expenses	5,432	18,932
	<u>77,903</u>	<u>91,009</u>
<b>Net income over expenditure from operating activities</b>	<u><b>240,982</b></u>	<u><b>389,646</b></u>
<b><u>OTHER COMPREHENSIVE INCOME</u></b>		
Unrealized gain on investments	402,786	1,195,087
<b>Total income for the year</b>	<u><b>643,768</b></u>	<u><b>1,584,733</b></u>
<b><u>ALLOCATIONS</u></b>		
Allocation to Capital (Note 3)	44,578	44,679
Allocation to Reserve for future distributions (Note 4)	541,929	690,967
Allocation to Reserve for loss on investments (Note 6)	57,261	849,087
	<u><b>643,768</b></u>	<u><b>1,584,733</b></u>

## EMPRESS SHÔKEN FUND

Notes to the Financial Statements for the year ended 31 December 2020

### Note 1 - Activity

The Empress Shôken Fund (the "Fund") is administrated by a Joint Commission of six members chosen in their personal capacity. The Fund is based in Geneva.

The Joint Commission is composed equally of three members appointed by the International Committee of the Red Cross and three by the International Federation of Red Cross and Red Crescent Societies. The day to day administration of the Fund is carried out by an administrator appointed by the Joint Commission.

Only interest and capital gains may be used for allocations awarded by the Joint Commission to meet all or part of the cost of the activities detailed in Article 3 of the Regulations for The Empress Shoken Fund (the "Regulations").

### Note 2 - Significant accounting policies

The Fund financial statements are presented in Swiss Francs and have been prepared using the accrual basis of accounting, under which, the effects of transactions and other events are recognized when they occur (and not as cash or its equivalent is received or paid) and they are recorded in the accounting records and reported in the financial statements of the period to which they relate.

The capital of the Fund is used for investment purposes, so as to derive returns that will be used to fund projects proposed by National Societies. The capital account is not distributed to National Societies and is augmented every year by voluntary contributions received from the Japanese Red Cross.

Investments in securities are valued at market value. In order to cover current as well as potential future losses, unrealised gains are allocated to the "Reserve for loss on investments" until such reserve reaches 20% of the market value. Changes in fair value are recognised as gain or loss on investments in the Income and expenditure statement.

The Reserve for future distribution is funded by the appreciation of the investment portfolio and the excess of income over expenditure. Distributions are made on the basis of National Society grant requests and subject to approval by the Joint Commission.

According to Article 9 of the Regulations, a sum which shall not exceed CHF 50,000 shall be set aside to cover the cost of the International Federation of Red Cross and Red Crescent Societies in administering the Fund and in assisting the National Societies concerned in the realization of their projects.

## EMPRESS SHÔKEN FUND

Notes to the Financial Statements for the year ended 31 December 2020

### Note 3 - Capital as at 31 December 2020

	<u>2020</u>	<u>2019</u>
	CHF	CHF
Capital as at 1 January	12,316,504	12,271,825
Contributions from Japanese Red Cross Society	44,578	44,679
Capital as at 31 December	<u>12,361,082</u>	<u>12,316,504</u>

### Note 4 - Reserve for future distribution

	<u>2020</u>	<u>2019</u>
	CHF	CHF
Opening Balance as at 1 January	1,113,428	813,747
Allocations approved	(407,929)	(390,663)
Transfer of excess income over expenditure	196,404	94,633
Transfer of gains on investments after allocation to the reserve for loss on investments (Note 6)	345,525	595,711
Closing Balance as at 31 December	<u>1,247,428</u>	<u>1,113,428</u>

### Note 5 - Investments

	Shares	Bonds/Notes	Total
Pictet Asset Management (PAM) closing Balance 2019	6,533,698	9,629,926	16,163,624
Pictet Asset Management (PAM) closing Balance 2020	7,406,234	9,043,698	16,449,932
Net increase/(decrease)	<u>872,536</u>	<u>(586,228)</u>	<u>286,308</u>

The net increase in the investments includes purchases, sales and unrealized gains and losses.

## EMPRESS SHÖKEN FUND

Notes to the Financial Statements for the year ended 31 December 2020

<u>Note 6 - Reserve for gains/loss on investments</u>	<u>2020</u> CHF	<u>2019</u> CHF
Opening balance	3,232,725	2,383,638
Transfer unrealized gain on investments	57,261	849,087
Closing Balance	<u>3,289,986</u>	<u>3,232,725</u>
<u>Note 7 - Accounts payable to the IFRC</u>	<u>2020</u> CHF	<u>2019</u> CHF
Fund administration fee	50,000	-
Audit fee	4,250	-
Courier expenses	37	37
Translation expenses	24,364	18,932
	<u>78,651</u>	<u>18,969</u>

Due to the disruption of Covid-19 pandemic, Accounts payable due to the IFRC of CHF 78,651, relating to both 2019 and 2020 expenses, will be settled in 2021.

### Note 8 - Derivate financial instruments measured at fair value

During the year, the Empress Shoken Fund used derivative financial instruments, notably foreign currency forwards and swaps. These financial instruments are used by the Empress Shöken Fund to mitigate foreign exchange risk and are recognized at fair value with subsequent movements in value reported through the statement of Income and Expenditure.

The following derivative instruments were outstanding:

#### **As at 31 December 2020**

Currency	Notional value	Fair Value gain / (loss)	Maturity date
JPY	10,000,000	85,625	15.01.2021
CHF	(85,576)	(85,602)	15.01.2021
CHF	115,000	115,218	12.03.2021
EUR	(106,708)	(115,573)	12.03.2021
CHF	215,000	215,407	12.03.2021
USD	(242,463)	(214,298)	12.03.2021
<b>Total</b>		<b>777</b>	

#### **As at 31 December 2019**

Currency	Notional value	Fair Value gain / (loss)	Maturity date
CHF	115,000	115,192	13.03.2020
EUR	(105,090)	(114,381)	13.03.2020
<b>Total</b>		<b>811</b>	