

THE CONGREGATION OF THE DAUGHTERS OF THE CROSS OF LIEGE

England & Wales · Charity number 1068661

Details

Other names DAUGHTERS OF THE CROSS

Status Registered

Legal form Charitable company

Company number [03492921](#)

Registered 1998-03-16

Register [View on the Charity Commission register](#)

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Activities

Objects: (1) THE ADVANCEMENT OF RELIGION BY ESTABLISHING AND MAINTAINING CONVENTS OR HOMES FOR THE RESIDENCE OF MEMBERS OF THE CONGREGATION OR FOR THE RESIDENCE, INSTRUCTION AND TRAINING OF THOSE INTENDING TO BECOME MEMBERS, CHURCHES AND CHAPELS FOR THE PURPOSES OF RELIGIOUS WORSHIP ACCORDING TO THE RITES AND CEREMONIES OF THE ROMAN CATHOLIC CHURCH (WHETHER OPEN TO THE PUBLIC OR NOT) AND RESIDENCES FOR CHAPLAINS IN CHARGE OF SUCH CHURCHES OR CHAPELS; (2) THE ADVANCEMENT OF EDUCATION BY ESTABLISHING AND MAINTAINING EDUCATIONAL INSTITUTIONS IN ACCORDANCE WITH CANON 803 OF THE CODE OF CANON LAW OR ANY SUBSEQUENT EQUIVALENT VERSION OF THAT CANON OF THE CODE; (3) THE RELIEF OF POVERTY AND SUFFERING BY ESTABLISHING AND MAINTAINING HOSPITALS, HOSPICES, NURSING HOMES AND RESIDENTIAL HOMES FOR THE SICK, ELDERLY OR NEEDY; (4) THE ADVANCEMENT OF RELIGION, THE ADVANCEMENT OF EDUCATION AND THE RELIEF OF POVERTY AND SUFFERING BY DIRECT ACTIVITY IN THE COMMUNITY AND ALL OTHER CHARITABLE MEANS INCLUDING GIVING ALMS TO THE NEEDY (5) SUCH OTHER CHARITABLE PURPOSES FOR THE BENEFIT OF THE COMMUNITY AS THE TRUSTEES SHALL FROM TIME TO TIME DETERMINE.

Activities: Sisters pastoral work; visiting the sick, the housebound and offering spiritual support. Supporting Daughters of the Cross of Liege ministries in 9 countries The charity runs Holy Cross Hospital, a hospital providing neuro-rehabilitation and long-term care for neurologically impaired people.

Classification

- **How:** Makes Grants To Organisations, Provides Buildings/facilities/open Space, Provides Services
- **What:** General Charitable Purposes, Education/training, The Advancement Of Health Or Saving Of Lives, Disability, The Prevention Or Relief Of Poverty, Religious Activities
- **Who:** Elderly/old People, People With Disabilities

Geography

- Ireland
- Hertfordshire
- Lancashire
- Merton
- Surrey
- Sutton

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£16,020,000	£35,383,000	£177,570,000	193
2024-03-31	£61,792,000	£17,503,000	£195,951,000	165
2023-03-31	£10,752,000	£14,439,000	£144,244,000	169
2022-03-31	£10,222,000	£12,086,000	£154,123,000	186
2021-03-31	£13,763,000	£17,039,000	£150,692,000	278

Trustees

Name	Role	Appointed
Sister Kathleen O'Reilly	Chair	2018-12-17
SISTER ANNE KELLY		2012-05-30
SISTER VERONICA HAGEN		2000-06-05
Sister Mary Catherine McGinn		2012-11-21
Sister Maureen O'Brien		2024-05-31

THE CONGREGATION OF THE DAUGHTERS OF THE CROSS OF LIEGE

England & Wales - Charity number 1068661

Accounts

**The Congregation
of the Daughters
of the Cross
of Liege**

**Annual Report and Financial
Statements**

31 March 2025

Company Registration Number: 03492921

Charity Registration Number: 1068661

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1 Summary of activities

The activities of the charity during the year under review can be considered under two headings.

- The ministry of the Sisters

Provision of housing, care and support for the Sisters. The voluntary work of the Sisters in their local communities, health & welfare settings and their support for the Daughters of the Cross worldwide.

- Healthcare provided at Holy Cross Hospital, Haslemere, Surrey.

A hospital providing care and rehabilitation for patients with complex neurological needs.

Website: holycross.org.uk.

The Hospital has 44 beds, over 50 in-patient beneficiaries, 162 employees and 17 volunteers.

The activities of the Sisters are supported by a small central staff who deal with statutory and charity-wide matters, including monitoring the investments and funding Sisters' Communities. The central administration also encompasses the lay staff caring, cooking, and providing housekeeping for elderly Sisters in Haslemere, Cheam, and Stillorgan, Ireland.

Our finances

	2025	2024
Total expenditure	£35.4m	£17.5m
Total income	£16.0m	£61.8m
Net (expenditure) income	(£19.4m)	£44.3m

These amounts are achieved before investment and other gains and losses.

Our people

	2025	2024
Total staff costs	£7.8m	£7.4m
Employees	193	187
Volunteers	20	23
Sisters	28	31

2 Trustees

The trustees who served during the year and during the period prior to the report and accounts being signed are:

Sister Kathleen O'Reilly	Chair of trustees, Provincial Superior, and Chair of Provincial Council (from 31 May 2024)
Sister Mary McGinn	Trustee and Provincial Bursar
Sister Maureen O'Brien	Trustee (appointed 31 May 2024)
Sister Anne Kelly	Trustee
Sister Veronica Hagen	Chair of trustees, Provincial Superior, and Chair of Provincial Council (to 31 May 2024)
Sister Josephine Clemence	Trustee (resigned 31 May 2024)

Trustees' thanks

None of the charity's work could be achieved without the dedicated loyalty of all the staff employed by the charity, the efforts of the 20 full-time and part-time volunteers (2024 – 23 volunteers) the commitment and effort of the 28 Sisters in the Province (2024 – 31 Sisters) or without the continuing generosity of its donors and supporters. The trustees are also extremely appreciative of all the members of the Advisory Committees who contribute to the charity's work by devoting their time and expertise.

To all these groups, the trustees offer their grateful thanks and their prayers.

Strategic Report

3 Introduction

The trustees are pleased to present their report, together with the financial statements of The Congregation of the Daughters of the Cross of Liege, for the year ended 31 March 2025. The trustees' report, including the strategic report, has been prepared in accordance with Part 8 of the Charities Act 2011 and also constitutes a directors' report for the purposes of the Companies Act 2006.

The financial statements are presented in accordance with the accounting policies on pages 49 to 53 and comply with the requirements of the Charities Act 2011, the Companies Act 2006, the charity's Memorandum and Articles of Association, applicable laws, United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice), and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP FRS 102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

4 Charity's aim and objects

The aim of the charity is to provide a legal framework in the UK for the Sisters to follow their calling and to meet the obligations set out in their own Constitution.

In February 1782, in Liege, Belgium, Jeanne Haze was born. As a result of the French Revolution, Jeanne and her family were exiled in Germany, during which time her father died. Jeanne was conscious of her vocation early in her life and was drawn to helping those most in need. On 8th September 1833 Jeanne, and her sister, Ferdinande, made their perpetual vows. The two sisters were joined by other young women wishing to lead a religious life. Jeanne received the name Mother Marie Therese, with Ferdinande receiving the name Mother Aloysia. Along with Sisters Clara and Constance, and two postulants, the Congregation of the Daughters of the Cross was born. This small community of Sisters responded whenever they could to the needs of the people around them, nursing the sick in their own homes, caring for women prisoners, teaching children by day and adults in the evening.

Blessed Marie Therese was beatified on 21st April 1991. She died on 7th January 1876, by which time she had received more than 900 Sisters into the Congregation and founded 51 communities. These communities were spread across Europe and Asia; Germany (founded in 1849), India (1861), and England (1863), when the English Province was established. In 1910 the Sisters' work was given a more formal framework under a trust deed and in 1998 the activities were transferred to a charitable company limited by guarantee, the objects being based on their Constitutions. The charity is established to:

- ◆ advance religion, by establishing and maintaining residencies for the Sisters of the Congregation.
- ◆ advance religion, advance education and relieve poverty and suffering, by direct activity in the community and by all other charitable means, including giving alms to the needy.
- ◆ carry out any other charitable purpose for the benefit of the community as the trustees shall from time to time determine.

For the Sisters, Religion is the commitment to love and serve God as expressed in their vows and is and always has been the centre of their lives and everything they do. Thus, to them, Religion is not just about worship and prayer but encompasses, among other things, teaching and caring for others. To quote from the Sisters' Religious Constitution "They serve Christ in the works of general and special education, the care of the sick and the aged, abandoned children, the physically, psychologically and mentally challenged, the socially deprived, local pastoral work and the various needs of the Church". The Sisters do not see the above objects as separate activities but as all part of the one Religious life they have chosen.

The Religious commitment of the Sisters permeates all of the charitable activity carried out in the name of the Province and the charity.

5 Strategic plans and objectives

The trustees are continuing to work on their strategic objective of resolving the long-term futures for:

- ◆ The Sisters, including where and how they live and are supported and cared for;

- ◆ Holy Cross Hospital, as eventually there will be an insufficient number of Sisters with the appropriate skills to continue to be responsible for the Hospital, whose activities are complex and heavily regulated.

Supporting these longer-term strategic plans, are the objectives of the charity;

- ◆ Ensure that the senior management of the charity have the required capacity and capability to run the day-to-day operations of the charity in line with their set objectives, including meeting or exceeding all regulatory standards.
- ◆ Ensure that the Sisters have the means to enable them to live their lives as spiritually and actively as possible.
- ◆ Provide healthy, inclusive, and safe environments for Sisters, beneficiaries, staff, volunteers, and visitors.
- ◆ Continue to develop services in neuro-disability and associated rehabilitation of physically disabled adults by increasing the knowledge and expertise of staff, collaborating with the NHS and other professionals and by improving facilities.
- ◆ Operate the physiotherapy centre as a service to local people, offering high quality and accessible physiotherapy services and classes.
- ◆ Provide comprehensive training programmes for staff and make these available as appropriate to other local care providers and agency staff.
- ◆ Maintain the ethos of the Congregation across all areas of the charity.

6 Activities, performance and achievements in the year

Sisters' and Provincialate objectives and activities:

The activities of the Sisters and the central office are referred to in this report as 'The Province', as a collective term for their combined activities. Holy Cross Hospital and the activities that take place there, are described separately, as the two parts of the charity operate quite differently on a day-to-day basis.

The objectives for the Province for 2024/25 were:

- ◆ **To participate in the General Chapter of the Congregation**

Completed. Three Sisters attended the six-yearly General Chapter in Rome during May 2024.

- ◆ **To review the range of charitable activities undertaken by the Province**

Completed. Trustees discussed at length the possibilities for utilising the charity's funds to maximise the impact the Province can have over the coming years. The changes made to the designated funds, as outlined elsewhere in this report, shows the Sisters priorities and intentions for the next three to five years.

◆ **To carry out a review the designated funds of the Province**

Completed. Trustees approved a new reserves policy in March 2025, detailing purposes of the designated funds and the amounts allocated to them.

◆ **To continue to fund the redevelopment project at Holy Cross Hospital.**

Partially completed. The redevelopment of St Margaret's building is now complete. The larger redevelopment of the Hospital building remains ongoing, as it is still at the planning and design phase.

◆ **To continue to review the future status of Holy Cross Hospital.**

Ongoing. Trustees have commenced work on the future plans for the Hospital, and discussions are ongoing.

◆ **To complete the separation work on the Haslemere site**

Ongoing. This work has experienced delays due to planning and working with local residents to achieve a satisfactory outcome for all. Work continues on this project, to bring power, water, and gas directly to the properties on the Haslemere site used by the Sisters.

◆ **To complete the major building works in Cheam (Buttner Road and 571 Gander Green Lane) and deal with other legacy property issues.**

Completed.

◆ **To review the long-term plans for the Sisters' residences.**

Ongoing. Trustees have been meeting with Sisters from across the Province to discuss the future plans for where Sisters will live, and the number and location of convents and houses the Province will occupy. Plans have been put in place and the process has started, but will take time to complete.

◆ **To review the financial support needs of St Elizabeth's Centre and St Raphael's Hospice.**

Partially completed. St Elizabeth's was supported with a substantial grant in the year. St Raphael's also received a grant this year, although the Hospice's longer-term financial situation is being monitored by the trustees, due to their ongoing funding issues with the local Integrated Care Board.

The main activities of the Province are:

- ◆ the welfare and ministry of the Sisters;
- ◆ the support of Holy Cross Hospital and the former Works of the charity; and
- ◆ the support of the Worldwide Congregation.

The Province continues to have a presence in England and Ireland. The Sisters continue to fulfil the objectives of their Religious Constitutions, which are further reflected in the charitable company's Memorandum and Articles of Association.

Several of our Sisters are, or have recently been, trustees of other charities (where they act as individuals, not on behalf of the Province). Sister Veronica Hagen, Sister Josephine Clemence and Sister Pat Ainsworth have all recently stood down as trustees and sub-committee members at St Elizabeth's Centre after many years' service. Sister Veronica and Sister Kathleen O'Reilly are trustees of St Raphael's Hospice. Sister Kathleen is also a member of the Hospice's finance committee and Sister Veronica is a member of the income generation committee.

Five sisters serve as trustees of this charity. A sister is appointed to support each of the groups of lay people, who are associate members of the Daughters of the Cross. These groups are based in Cheam, Carshalton, Much Hadham, Jarrow, and Tracey (California).

The Provincial Superior and Provincial Bursar are members of the Conference of Religious in England and Wales and the Association of Provincial Bursars respectively and participated in the Annual Conferences in 2024. Sisters are members of the Association of Senior Religious JPIC. During the year, the Province renewed its membership of the Religious Life Safeguarding Service (RLSS) and the Catholic Safeguarding Standards Agency (CSSA) and are in the process of refreshing our own safeguarding procedures. The Province is also a member of the Association of Leaders of Missionaries & Religious of Ireland (AMRI), the National Board for Safeguarding Children in the Catholic Church in Ireland (NBSCCI) and the Church Investors Group.

The Province has two dedicated Care Communities to support the full-time care needs of 14 frail elderly members. This enables these Sisters to continue to participate in the spiritual rhythm and companionship of community life.

Sisters are no longer engaged in positions of paid employment, but each Sister is supported in their chosen ways of volunteering in their neighbourhood. Examples are organising chaplaincy support, wellbeing services, offering spiritual and/or pastoral companionship to pupils, patients, staff and relatives within our own hospital (Holy Cross), or in our previously-owned services that are now independent charities. Others are involved in work with other charities such as ResultsUK and The St Stephen's Green Trust (in Ireland). Sisters are also active on Parish committees and in ecumenical activities, particularly those helping homeless people or those on low incomes. The Province continues to support a charity that works with trafficked people.

Sister Tessa Fisk works with young people in the community on Holy Island, as well as accompanying and engaging with many of the pilgrims who come to the island. Sister Tessa also continues to give her pastoral support to the Catholic community on the island and is active within the island's ecumenical and social networks.

Sister Anne Venita, a member of our Cheam community, volunteers at St Raphael's Hospice on a daily basis. This can involve speaking to patients and their families, writing cards and letters to families, and arranging for patients of all faiths to speak with or receive visits from ministers of their own religion. Sister Ann also volunteers in the Hospice's Wellbeing Centre, where they welcome cancer patients, hospice at home patients, and their families and provide emotional support, fun, exercise, and joy.

Sister Cecilia D'Mello, a member of our Haslemere community, volunteers in Holy Cross Hospital, supporting patients and staff. Sister Pat Walsh, who also lives in Haslemere, teaches English to our Polish staff working in the community house. Sisters Pat Ainsworth and Annette Clemence give regular support to previous St Elizabeth's Centre pupils and their families, and give reassurance to those who are unsupported in their lives. Sister Mary McLaughlin supports Holy Cross Hospital and sits on the management team, attending leadership team and advisory committee meetings.

Sister Rose Marmion has been supporting the Sutton Food Bank and volunteered there on a regular basis when she lived in Cheam. Upon moving to Haslemere, Sister Rose now supports the other Sisters within the convent, alongside Sister Imelda Mulligan.

Our Sisters in Ireland continue to support and house two Ukraine families who have sought refuge from the invasion by Russia. The two families are living on the Stillorgan site, under an agreement signed with the Irish Refugee Council. The agreement is in its second year, having been renewed for another 12 months. Both families are settled and interact with the Sisters. The children attend local schools and have a safe garden to play in. Some of the children are autistic and the Sisters support the families to thrive both inside and outside of school. Sisters in Ireland continue to be involved in their local community, with Sister Marlene Syllas involved in the work of the local Parish including in Confirmation classes to help prepare people for the sacrament of confirmation, and Sister Joyce Cullinane continuing her many years of working and volunteering at St James's Hospital, Dublin.

The Sisters also continue to be involved with The St Stephen's Green Trust in Ireland, where our endowment continues to fund vital work in the area of social justice. The Daughters of the Cross gave the Trust a €3m permanent endowment in 2003 and the income generated from that sum is spent supporting the work of the Trust in Ireland, in line with the Deed of Gift. The work of the Trust in the areas of relief of poverty and advancing welfare and health in communities is very closely aligned with the charitable aims of the Daughters of the Cross.

Sister Gillian Price works closely with RESULTSUK and JPIC (Justice Peace and the Integrity of Creation) with their advocacy work on nutrition, healthcare, 'giving a voice to the voiceless', supporting asylum seekers, and working to end poverty in developing countries. This work includes engaging with MPs and other parliamentarians in order to use UK overseas development aid more effectively, and writing letters and articles that are published on Catholic news websites.

The Sisters care deeply about their own impact on the environment and nature. They continually seek to address environmental and ecological issues and maximise reusing and recycling in their own living areas, caring for local wildlife, conserving water, and engaging in citizen science projects that support biodiversity and protecting UK wildlife that is under threat.

The lease with St Raphael's Hospice includes a rental fee charge lower than commercial rates, which is a significant financial help to the Hospice.

With the help of expert advice, the Sisters manage the income and reserves of the Province in a socially and environmentally responsible manner, to ensure we can support our commitments both at home and abroad.

The Sisters are trustees, part of management, donors, and beneficiaries. The trustees, like all our Sisters, covenant their pensions and other income to the charity. Having taken a vow of poverty, they have no financial resources of their own and they are provided for by the charity as beneficiaries. The Sisters have spent their entire working lives in one or other of the past or present Works and when they reach their later years the charity continues to care for them. As Sisters age, the care and support they require in their Communities is gradually increasing.

The Sisters continue to fulfil the objects set out in both their Religious Constitutions and in the charitable company's Memorandum and Articles of Association, despite the advancing age and frailty of some of the members. The Sisters provide in-house facilities in England and Ireland to meet the need of their growing number of very frail and sick members, who need full time care. For Sisters with complex healthcare needs the Congregation may purchase a separate care provision.

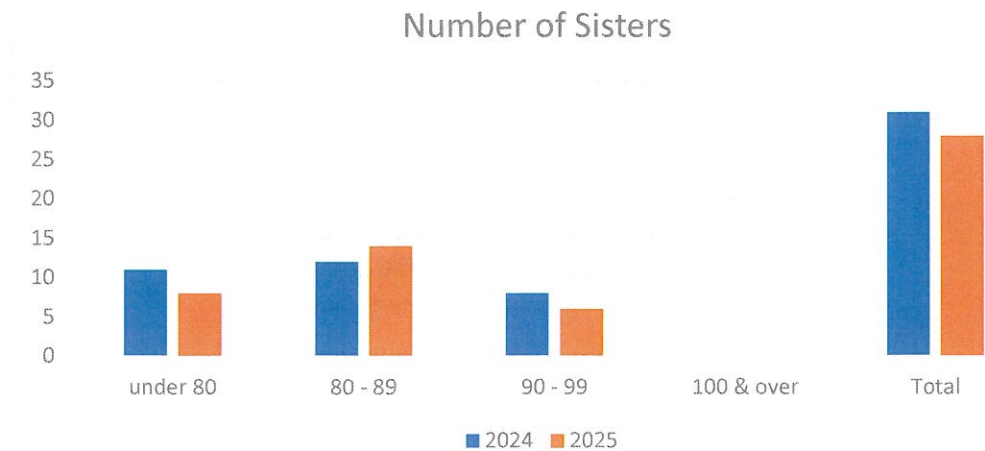
The Province's frail and elderly Sisters are cared for in appropriately adapted accommodation in Haslemere, Surrey and in Stillorgan, Ireland within a Community setting and with the help of lay staff. The costs are significant, but it avoids the need for Sisters to go into the full-time and even more expensive care of others.

Communities are also supporting adult groups known as Associates of the Daughters of the Cross. These are people who wish to embrace the Charism and Ethos of the Congregation and who in turn support the Congregation's ministries with their prayers. The English Province Sisters support Associates in Carshalton, Cheam, Jarrow and Much Hadham in England, Stillorgan in Ireland and Tracy in the USA, and there are other groups of Associates in many of the countries in which the Congregation works.

The Province supports the Worldwide Congregation in various ways. Until June 2024, the English Province provided two members of the General Council; Sister Maureen O'Brien (served for six years on the Council) and Sister Mary McLaughlin (served for twelve years). The Province continues to hold the Worldwide Fund designated fund, which enables it to provide grants for the International Generalate to support other Provinces around the world. The Province pays an annual contribution towards the running of the International Generalate and the costs of the Chapter and General Meetings, and hosts the Generalate for its finance committee and trustee meetings in our St Ann's building in Cheam.

Sisters normally spend time on retreat each year in silent contemplation and prayer. The purpose of retreats being to deepen their own spiritual life and to reflect on and evaluate how they are fulfilling their commitment to helping those most in need.

At 31 March 2025 there were 28 Sisters in the Province (2024 – 31 Sisters). During the year, three of our Sisters died: Sister Gabriel Mary, Sister Clare Joseph, and Sister Margaret McMullen. The average age of a Sister on 31st March 2025 was 83.6 years (2024 – 83.7 years).



Holy Cross Hospital

Working in close co-operation with the NHS (from which most patients are referred), Holy Cross Hospital provides high quality inpatient services to adults with severe and complex neurological disabilities or illnesses that may arise from acquired brain injury, spinal cord injury or advanced stage of degenerative illness. It also has a physiotherapy centre which houses the hydrotherapy pool, enhancing the treatment of some inpatients and providing excellent facilities for outpatient treatment. The Hospital makes the benefits of physiotherapy and hydrotherapy available to as many local people as possible. The Hospital is also able to provide short-term rehabilitation and respite care.

Most of the inpatients referred to the Hospital have been in contact with statutory services and most of the Hospital's income is derived from NHS Integrated Care Boards (ICBs), and Local Authorities, who are responsible for funding such healthcare services.

The Hospital aims to achieve the best possible quality of life for all those using its services, with a high priority being given to engaging the support and participation of family members. Some patients require access to the Hospital's services over prolonged periods, therefore great effort is devoted to making the environment as home-like as possible, to which donations and the work of volunteers make a major contribution.

The work on the building project to provide additional office and meeting room space by converting the old staff accommodation (St Margaret's) was completed during the year.

The Hospital achieved an average of 95.3% in-patient occupancy (2024 – 97.8%). This small reduction is within the tolerance of normal year-to-year changes. An occupancy rate of over 95% represents another good year's performance against this key metric. The Hospital is rated as Outstanding by the Care Quality Commission (CQC).

The Hospital's leadership team developed a new strategic business plan and option appraisal report. These were presented to trustees in November 2024 and work on the future of the Hospital has continued since then. This work is one of the key strategic aims for the trustees and further work with architects and other professionals has continued during 2025.

The Hospital staff team have developed a new set of values and set out a new mission statement and vision for the future. This new set of values are Compassionate Care, Respect, Integrity, Safety, Team, and Excellence.

The Hospital has recruited some key posts during the year to help improve the level of care it can provide to patients. These include an increased occupational therapy headcount; an in-house, permanent, speech and language therapist; and a new finance director.

Grants

Although the charity is not primarily a grant-making charity, there have been two substantial grants awarded this year. While the number of grants awarded each year is low, the charity does award large grants from time-to-time.

Before every grant is approved, a request for appropriate information to support the grant is made to ensure that it is within the charitable objectives and being made to an organisation or on a project which the trustees wish to support. The impact which the grant would make is also considered. For all grants made within the Worldwide Congregation, reports are received (including photographs) to show what has been achieved with the funds.

During the year there were £144,000 (2024 – £148,000) of worldwide fund grants made to communities of the Worldwide Congregation to help their work in poor local communities in Cameroon, Nepal, and Rourkela, India. There was an additional grant made this year to the Daughters of the Cross German Region.

For the regular worldwide fund grants, two grants were awarded to Nepal, both supporting the work being done by Sisters at the Christalaya convent in East Nepal. The total of the two grants was £43,000.

The first project is to support the children at the Christalaya Hostel in Maheshpur. Maheshpur is an area where a high percentage of the population are landless labourers, working in the tea gardens and paddy fields, while living in small accommodation provided by their employers. The children of these workers, as well as girls living in challenging and impoverished homes are given access to good quality education, medical care and wellbeing services, and are able to learn crafts and other skills needed in later life. The Morning Star Nursery provides the younger children with good quality early years care and development, to prepare them for school. Last year it had 40 children attending regularly. The Hostel also provides boarding rooms for under-16s and medical and pastoral care for the children. The £10,000 grant was to help to support more children in the nursery, pay for food, toiletries, and equipment used by the children, and pay the costs of the teaching and nursery staff.

The second project was to support the St Joseph's school in Tulachan, East Nepal. The school was started in 2015 and provides education for up to 380 pupils, up from 360 in the previous year. The area has a low literacy rate and many people in the Santhal Tribe, who populate this area, earn their living as agricultural labourers, but do not own any land themselves. The grant of £32,000 was to fund buying books, uniforms, and equipment for the pupils, as well as covering the costs of the teaching and non-teaching staff. The grant also covered the school fees for 100 children, who come from families who are not able to afford to pay themselves.

In Rourkela, India, two grants of £21,000 each were awarded to the Daughters of the Cross Rourkela Province. The first project was to fund the completion of the development of the St Joseph's school in Gaibira. The grant will help to fund the completion of the construction work that was started several years ago but was disrupted by Covid, it will also pay for training for the Sisters so they can better support the children and provide an all-round education. The completion of the works will allow more students to attend the school and provide a better teaching and learning environment. There are 317 children in the school, with about one third of those being boarders.

The second grant, also for £21,000, is to fund a project at the St Joseph's school in Sundargarh. Due to cutbacks in local government support for education in the locality, the Sisters have had to take it upon themselves to help educate the children of the local tribal people. There are 267 children at the school (up from 251 last year) and the grant will allow the Sisters to maintain their education and keep developing the school, including adding an additional year group, so it continues to meet the needs of the local people and the expanding local town. The grant pays for the large costs at the school, that the Sisters in Rourkela cannot afford from the small amount of fees charged for pupils. As the school is in a tribal area, where English is not the first language, this school is very important for the local children as they are educated in an English language school.

Several grants totalling £59,000 for projects in Cameroon were also awarded. These are for projects across the different parts of the country where the Sisters live and work. The projects include installing solar panels, paying for major repairs to the vehicle, reconstruction costs at the primary school, creating a new well to provide water nearby, and supporting the Sisters to make their final vows. All of this is for the Sisters based at the Nkanchi Convent, and in Melim.

The £929,000 grant awarded this year is to fund the Germany Province of the Daughters of the Cross for 2025. The German Region does not generate enough income to cover the costs of the Sisters and the large property that they own. The English Province has agreed to help support the Sisters in Germany, as well as provide resources to assist them in selling the property, with the hope this will realise funds that can be invested and help fund the ongoing cost of looking after the Sisters in the years ahead.

There were two exceptional grants awarded during the year. One grant was for £15m, to St Elizabeth's Centre, and the other was for £5m for The Daughters of the Cross International. The grant to St Elizabeth's was split into two parts; to fund capital expenditure projects that will enable the Centre to upgrade existing buildings and build new facilities, as well as providing additional resources to create longer term financial resilience. The grant to the Daughters of the Cross International is to be utilised for their annual grantmaking programme to Provinces across the worldwide Congregation.

The Sisters also made grants and donations totalling £14,000 (2024 - £69,000) to projects in the UK and to emergency disaster relief appeals. These include £5,000 to Aid to the Church in Need for Christians affected by war, £5,000 to the Medaille Trust, and £2,000 to Glass Door for their work with the homeless. Other smaller donations totalling £1,000 were awarded to other organisations such as Housing Justice, Emmaus, and the Cardinal Hume Centre.

7 Volunteers

The Sisters are Apostolic Religious volunteers and the whole of their lives is given to helping those in need.

The trustees and staff are very grateful to our volunteers, in whatever role they carry out, across the charity, who give freely and generously of their time and who bring enthusiasm and dedication. They make an enormous contribution to the lives of the beneficiaries and the success of the charity.

At Holy Cross Hospital volunteers make a significant contribution to the activities of the Hospital. They contribute to patients' quality of life by supporting the work in the activities room and helping run the external social activities that happen in the community by helping with transport, outings, and fundraising through the Friends of Holy Cross Hospital.

8 Financial Review (including reserves)

Results

The Statement of Financial Activities shows an overall result of £18.4m deficit, which is made up of a £48.4m deficit in general funds, £30m surplus in designated funds and a £10k surplus in restricted funds.

The £22m spent on grants during the year is the principal reason for the size of the deficit. Of this amount, £20m was spent on two grant payments. These grants were able to be made due to the sale of St Wilfrid's Convent in the previous year, and the resulting large surplus made in 2023/24. Leaving aside these exceptional grant payments, the charity made a surplus in the year.

Within the Province, overall spending on charitable activities was higher than the previous year, £25.2m compared to £8m in 2024. This increase of £17.2m is driven by the two large grants. Excluding all grants, Province charitable activities spending was £3.1m this year, down from £4.8m in 2024. This drop in expenditure is driven by lower spending on properties occupied by the Sisters in 2024.

Income within the Province totalled £6.6m. Leaving aside the £49m surplus on the sale of St Wilfrid's last year, Income was up 75% from the previous year (£6.6m in 2025 compared with £3.8m in 2024), largely due to increased investment income coming from the bank interest on the property sales proceeds. Sisters income performed largely in line with the previous year, with a small increase due to two legacies received in the year.

Drilling down within investment income – which makes up 72% of regular income in the Province – the income from each of the three main portfolios was down compared to last year. This is predominantly due to the shift in strategy with the investment portfolio, where returns are sought from both capital and income, meaning there is less of a focus on generating income, and more focus on generating returns in line with the policy target, which can come from capital growth.

Holy Cross Hospital continues to negotiate to agree a level of fees with ICBs and Local Authorities that cover the full cost of providing the appropriate level of care for its patients. The fee uplifts negotiated in the year helped to increase inpatient income by 7% (£531k) to £8.6m. Outpatient income increased by 45% to £342k (2024 - £236k). Staff costs rose by 6% to £7.1m (2024 - £6.7m). Total expenditure increased by 6% (£533k), resulting in the Hospital performing better than the prior year but still operating at a small loss of £46k within its general funds (even before charity-wide support costs are allocated).

The staff costs of £7.1m are 76% of its running costs, which is not unusual in healthcare settings. The Hospital had income from Health and Local Authorities of £8.2m (2024 - £7.7m), £791k (2024 - £583k) of income from private patients, and £439k of other income (2024 - £321k). The total cost of running the Hospital before charity-wide support costs was £9.4m (2024- £8.9m).

Investment gains and losses

After the investment valuations increased last year (over £5m of gains seen across the whole investment portfolio), this year saw a small rise in valuations, with two of the three main segregated portfolios recording small gains and one recording a small loss. The charity's investments continue to be well-diversified, which is an important mitigation against the persistently volatile markets. There were no withdrawals or additions to the portfolios in the year. The portfolio value went from £103.8m in 2024, to £104.6m at the end of this year. The investments are further explained in the section on Investment performance.

The trustees are conscious of the requirement to balance the needs of present and future beneficiaries, especially the Sisters current needs versus the changing needs over the next 10 to 20 years. This means that each year they consider whether to increase the proportion of resources allocated to general and designated funds reserves or whether to invest more in areas such as fixed assets, staffing, and training to maintain, improve or develop services to beneficiaries.

The annual review of the charity's general funds reserves was conducted during the year. In addition to this, the trustees undertook a detailed review of our designated funds in March 2025, which has resulted in a much more comprehensive reserves policy, that aims to fully address the risks, opportunities and key strategic issues the trustees face in the coming years.

The reserves policy seeks to align the level of free reserves with the major risks faced and the potential financial effects should one or more of these risk events occur. Trustees acknowledge that given the volatile nature of external markets at present, it is possible that several risk events could happen at once, or that one event may trigger a series of challenges, and so it is prudent to set the reserves at a level that could withstand the full effects of the major risks.

The reserves policy states that £8.5m should be held as free reserves and that half of this figure should be held in cash, with the other half held in investment assets to mitigate inflation risks over the medium to long term. Following a review of the challenges the charity faces and the current situation of planned changes within the organisation, the component parts of the free reserves policy have remained the same as last year, but different amounts have been allocated against them, to reflect the changing nature of these risks since last year. The £8.5m target figure covers six areas where a financial risk event has been identified, as shown in the table below:

Reserves policy and funds

No.	Component	Usage	Amount
1	Income risk reserve	Investment income fall	£4.4m
2	Income risk reserve	Pension income fall	£200k
3	Income risk reserve	Fee income fall	£2m
4	Adversity reserve	Adverse event (e.g. legal case)	£600k
5	Opportunity reserve	Fund new projects	£300k
6	Cessation reserve	Orderly winding-down	£1m
			£8.5m

The free reserves, which are funds that are neither restricted nor designated for a defined purpose, are represented on the balance sheet as the General Fund. Once its level is decided, trustees can consider the charity's other needs and what funds are available to be designated.

The General Fund (free reserves) at 31 March 2025 stood at £10.5m (2024 – £58.9m), which is above with the free reserves target of £8.5m.

This year-end, the charity had free reserves slightly in excess of the target set in the reserves policy, but much reduced from the previous year's level. Trustees are satisfied that this is appropriate for the future of the charity, as the excess of free reserves is currently sat within Holy Cross Hospital. Given the planned significant changes within the Hospital in the short term, having healthy reserves to mitigate any unforeseen issues is a prudent risk management approach.

Restricted funds

Restricted funds of the charity relate to the surplus monies which have either been raised or given for, or their use restricted to, specific purposes or which comprise donations subject to donor-imposed conditions. At 31 March 2025 they amounted to £1.49m (2024 – £1.48m), of which £1.4m (2024 – £1.4m) was in respect of a legacy given for the benefit of Holy Cross Hospital. The legacy was partly used to build a Hydrotherapy Centre, with the remainder (the restricted fund) being invested so the income generated can fund the maintenance costs and keep the facility running.

Designated Funds

The fixed asset fund amounts to £28.3m (2024 – £28.8m) and relates to those funds invested in tangible fixed assets. Other designated funds are established out of general funds where there is a need to provide funding for a specific purpose. The funds include:

The Daughters of the Cross fund stands at £25m (2024 - £43m). The level in the Daughters of the Cross fund reflects the continued (and future) decrease in covenanted income of the Sisters. The cost of running the Communities has not materially decreased over recent years, despite the reduction in the number of Sisters. At present, Sisters – including the frail and elderly - live in community. Two communities have a staff team to provide care and other support to the Sisters who need it. While these costs are significant, the current arrangements allow for the Sisters to live and take part in religious community life within the convent. Were Sisters to be resident in a care home this would incur higher costs, and the Sisters would lose the spiritual connection of living in community.

The shortfall in covenanted income to meet the Sisters' living costs must be met from investment income. The current size of the fund that provides this income has been necessitated by the post-pandemic lower yields we have been experiencing within the investment portfolio since 2020. The income from Sisters pensions is considerably lower than the annual day-to-day living costs of the Sisters across all of our Communities. The shortfall is approximately £1m, and this can only be made up from returns generated by the investment portfolio. The current annual cost of running the communities is £1.7m. Sisters' pensions cover £500,000 of this cost, meaning that the additional £1.2m must come from the £25m of investments represented by this fund. Over the medium and long term, these costs are expected to reduce, as the number of Sisters and number of community houses both reduce.

The Provincialate fund stands at £20m (2024 - £33m) and is represented by investments. Similar to the Daughters of the Cross fund, the £1m annual cost of running the Provincialate must be met from this £20m fund. The £1m annual cost is set from current spending levels. Over the medium and long term, these costs are expected to reduce, as the charity becomes smaller in size. The fund will likely reduce over the long term but has been set at a level that is sustainable in the long term, given the likely reduction in cost base.

The Holy Cross Hospital fund is a new fund set up this year to fund the expansion and redevelopment cost of the hospital. The fund value of £25m was set partly in response to an initial report from the architects, although trustees have increased the amount designated for this project due to likely additional costs. The fund is held in cash as the project is expected to be carried out over the next three years.

The St Raphael's Hospice fund is an existing fund but has been given a different purpose. The previous fund was much lower, and when it was set up several years ago, had specific amounts linked to the performance and requirements of the hospice. The fund now stands at £15m (2024: 2.7m) and is set up to be able to provide an annual amount to the hospice – should it be required – to ensure a break-even position is achieved. The hospice has a heavy reliance on fundraised income, and has challenges receiving adequate funding from the Integrated Care Boards. This fund will allow the Sisters to continue to support the hospice through the challenging years ahead, as it strives to achieve greater financial resilience.

Another new designated fund is the Grantmaking fund. This has been set at £15m and aims to establish a new charitable activity within the Province. Trustees wish to be able to support causes that are aligned with their ethos and values. The fund will generate a return, net of fees and other expenses, to be spent as grants given to other UK charities. Plans for starting this new stream of work are currently in progress. The fund is held in investments as it is a long term activity, with the intention that the funds will be held and grow in line with inflation.

The Haslemere Convent development fund is a new fund of £2m set aside for the redevelopment of the community house in Haslemere. The convent and living spaces require significant alteration in order to meet the current and future needs of the Sisters who live there. This fund is held in cash as the project is intended to be completed within the next two years.

There are several designated funds set up to support the Daughters of the Cross worldwide. The existing fund is the Worldwide annual grants fund. This fund has been set at £10m (2024: £7.9m) and provides grants for development projects in countries such as India, Cameroon, and Nepal. The fund is held in investments in order to provide a level of funding that can grow at least in line with inflation.

Other worldwide funds that have been set up this year are the New Province fund, which is set at £7m and held in investments. This fund will provide seed capital to a new Province, potentially in an African country where the Daughters of the Cross are invited to set up a new presence. The worldwide development fund is set at £2m and held in cash. This fund will pay for the construction of a new house in Yaoundé, Cameroon, and help fund the development of the new hospital in Kolkata, India.

The other new fund is the Germany Province fund. This fund is set at £11m, of which £5m is held in cash, and £6m is in investments. This fund will provide financial assistance to the Daughters of the Cross Sisters in Germany, in order to pay for their care and living expenses, as well as the upkeep of the large property they own. The £5m cash is held to be spent in the coming years, with the £6m of investments being held with the intention of growing the fund at least in line with inflation, so that can be used if the £5m in cash is fully utilised in the short and medium term.

The fixed assets fund represents the net book value of tangible fixed assets, less the fixed asset creditors, which are used in the day-to-day work of the charity and hence are not available for working capital. The fund has reduced slightly this year (£28.4m in 2025, compared to £28.8m in 2024) due to some small property sales.

Overall

The overall position is that total funds have decreased over the year by £18.4m (2024 – £51.7m increase). This is mainly due to the £19.4m in-year deficit before investment gains shown on the statement of financial activities. At 31 March 2025 the charity had total funds of £177.6 (2024 – £196m).

9 Investments

Investment policy

The charity's investment objective is to generate sufficient returns in order to meet the current and future needs of the charity. The day-to-day operation of the portfolio is managed by three investment management firms, who must each operate in line with risk and other parameters set out in our investment policy statement. The managers' approaches and strategies are all different, which gives additional diversification and contributes to the management of the various risks involved in holding investment assets.

The charity has had a responsible investment policy for many years as the trustees believe that the practice of holding investments must be done in line with the Sisters' ethos, values, and spirituality. Inevitably this means that some investments cannot be held as they will be incompatible with the values of the Congregation or the principles of Catholic Social Teaching. The trustees are comfortable that the long-term total return on the investments is not negatively affected by the stewardship elements of the investment policy. During the year, the charity's investment policy, including the approach to responsible and faith based investment was reviewed by the trustees. This was done in consultation with its investment managers to ensure their compliance and engagement with the policy and the ethos of the Congregation.

The investment policy states that the charity aims to be a faith consistent investor, specifically, a Catholic investor. This means that the charity is seeking to embed the principles of the 2022 document *Mensuram Bonam* into its investment policy and practices. *Mensuram Bonam* (MB) is a document produced by Vatican-based Pontifical Academy of Social Sciences. The three main principles of MB are to engage, enhance, and exclude. Using these principles is an advancement from our previous position, which mainly focused on exclusionary screens. Engaging with investment managers, other investors, and companies with a view to effecting changes in behaviour is thought to be a more powerful way to use our investment for greater impact. Trustees are guided by principles of Catholic Social Teaching and the ethos and charism of the Daughters of the Cross when making decisions and expressing views. The investment policy sets out practical ways of how trustees will work with others to achieve the aims of the policy. The charity still maintains exclusionary screens on the portfolio to ensure no investments are made in companies that run contrary to the ethos of the Congregation and Catholic Social Principles.

Another change to the investment policy following the review this year is formalising the move to a 'total return' approach from 2025/26 onwards. Given the changes to the levels of investment income the portfolio generates, trustees have made the decision to move to total return, in order to make more effective use of the capital growth within the portfolio.

The investment policy states that no charity funds are to be directly invested in companies which generate significant income from armaments, adult entertainment services, high interest lending, companies who breach modern slavery standards, or oil and gas companies that are not actively working towards meeting the goals of the 2015 Paris Agreement. Also excluded are companies which are involved in areas of activity contrary to the sanctity of life.

For certain areas of investment stewardship (for example the environment or corporate governance), the policy is to adopt an engagement approach, which means using the charity's position as a shareholder, through its investment managers, to encourage companies to adopt more ethical and socially responsible policies and procedures, such as meeting Net Zero commitments. The investment managers, either internally or by using external agencies, monitor the activities of those companies in which the charity is invested, and the results of that monitoring are reported on and considered by the committee at all investment meetings. Our managers are asked to either follow-up on issues that they are currently engaging on, or we ask them to start to engage with companies on other specific topics of environmental, governance or societal issues.

The charity continues to be a member of the Church Investors Group (CIG). The CIG is a member network of Christian organisations that come together to promote ethical investment based on Christian principles.

As well as its segregated portfolios, the charity retains an investment in the BlackRock Catholic Charities Growth and Income Fund, a fund in which we have been invested in since it was founded in 2006. The fund is aimed specifically at Catholic charities and provides an opportunity to invest in a fund operated in line with Catholic principles.

Investment management, review and performance

The portfolios are invested for the long-term and comprise listed UK and overseas equities and bonds, with an exposure to commercial property and other alternative investments such as infrastructure funds. The investments comprise direct company holdings in both equities and bonds, together with pooled funds which are used by each of the managers to gain specific exposure and to manage risk. Income is withdrawn to meet central costs and the needs of the Sisters, and to fund the Worldwide Fund grants.

The portfolios have a significant exposure to global equity markets and the trustees therefore accept that there will be volatility in valuations. The strategic asset allocation of the overall portfolio, as well as the three individual portfolios, is continually monitored by trustees, in consultation with the investment managers and the Finance Advisory Committee (which includes all trustees and volunteer independent investment advisors). This group is satisfied that the movements in investment values and the various measures of investment risk were within acceptable parameters. The trustees and advisory committee will continue to carefully monitor the investment portfolio as markets and economic conditions remain volatile and it remains a challenge to ensure investment income meets spending requirements.

Each of the three investment managers' results are reviewed formally at meetings twice a year, where up to date reports are reviewed, performance against benchmarks is considered, and any issues concerning ethical investment or corporate governance are discussed. Composite benchmarks are arranged in consultation with each manager reflecting the agreed asset class allocations and using appropriate indices for each asset class. Where action is necessary this is agreed and the actions are monitored to ensure it was taken.

Actual performance against the benchmarks for the 12 months to 31 March 2025 for the three main segregated portfolios was as follows:

(Shown on a total return basis)	2025		2024	
	Actual %	Benchmark %	Actual %	Benchmark %
BlackRock	-0.1%	4.9%	12.1	17.9
Sarasin	3.7%	4.9%	11.3	15.5
Evelyn Partners	3.4%	3.9%	7.7	13.5

The trustees continue to be satisfied with their investment managers' actions and performance over the past 12 months, however, all three were below the benchmark returns they are each measured against. Performance had been strong for the first three quarters of the year, however, markets experienced a marked fall in February and March 2025 due to political instability stemming from announcements made by the US President on high global trade tariffs being imposed by the USA on trade partners. This had a detrimental effect on portfolio valuations at the year-end date.

The below benchmark returns also partly reflects the difficulty in matching the huge gains in the largest US tech firms and the concentration of returns in US indices from these companies, returns that we are unable to match in our portfolios given the risk tolerances applied to the charity's portfolios. The divergence that has developed between the portfolios and the global equities benchmark used to track performance over recent years has made comparison difficult. However, the trustees are assured that the current benchmarks used remain the most appropriate at this time. Trustees use additional measure to review performance other than the primary benchmark (CPI, charity peer group indices) which ensures a rounded view on performance is taken by trustees and their advisors. The charity's portfolio continues to perform at least in line with sector peer group indices over varying time periods.

10 Fundraising

The Province does not carry out any direct fundraising with the public. It does not use the services of any third-party organisation to help in its fundraising activities. No complaints were received about its fundraising activities during the financial year. However, if a complaint were to be received it would be handled by a senior member of staff, the Provincial Superior or the Provincial Bursar. There were no (2024 – nil) complaints registered with the Fundraising Preference Service during the year.

Holy Cross Hospital does not undertake fundraising activity itself, but it does benefit from the fundraising efforts of another charity, the League of Friends of Holy Cross Hospital.

During the year, there were no reported failures in compliance with the Fundraising Regulator and no fundraising complaints received (2024: none).

11 Risk management

The charity works with people who have complex needs and caring for them involves carrying out activities which entail inherent risk. Whilst actions can be taken to monitor, manage and mitigate risks, only a certain level of assurance can ever be obtained, and the trustees accept that there are some risks which are outside of the charity's direct control, and which cannot be mitigated. Trustees are nevertheless committed to maintaining highly developed risk management processes across the charity.

There is separate risk registers maintained at both Holy Cross Hospital and the Provincialate office. However, some risks carry across both parts of the charity; high inflation, increasing staff and non-staff costs, data protection and cyber risks are all features that need careful management. Data protection and cyber security have been a particular focus in recent years and trustees have policies and procedures in place to manage these business risks, as well as encouraging regular training to keep pace with the changing nature of these risks.

At Holy Cross Hospital, the management team assesses risks on an ongoing basis, with a summary of the major risks being presented to the advisory committee for discussion and review. Risks are categorised under four main headings; clinical management; estates, facilities and supply; workforce; and governance. In respect of clinical management, the Hospital specialises in the care and treatment of vulnerable adults. Detailed attention is given to the clinical education and training of all clinical members of staff and patient feedback is actively sought. Where applicable, policy and practice are updated by reference to it. Infection prevention control is also a key part of the care and treatment of our patients.

Within the Provincialate office, the risk register is updated regularly and is reviewed by trustees at least once every year. Significant risks currently facing the Province include inflation eroding the real value of investments and investment income, meaning income cannot keep pace with rising costs. Diversification across asset classes, sectors, geographies and currencies, as well as actively managing the asset allocation, are key ways of managing the various investment risks faced. Regular dialogue with our fund managers to ensure the investment agreements are robust, but flexible when required, and that any change in need or future plans is communicated well in advance so any changes can be well planned over time remains critical during a period of volatility.

The other significant risk is the 'key person' risk within the senior members of the Province. With the increasing age profile of the Province, there are fewer Sisters capable of taking on the leadership roles, both on the Council, at community houses, and as trustees. The leadership group within the Province is small in number, and the risk of ill health or any other reason for one or more of those Sisters suddenly being unable to fulfil their role presents difficulties for the remainder of the group, and indeed, all the Sisters and staff. Mitigation of this risk takes the form of sharing information with others, ensuring good record-keeping, continual dialogue between trustees, and supporting each other through the present challenges.

The charity maintains a good level of reserves and a robust set of insurance policies, which also ensure the charity is managing its risk exposures prudently.

12 Events since the year-end and future plans

There were no significant events since 31 March 2025.

Future plans for 2025/26 within the Province include:

- ◆ To continue to review the range of charitable activities undertaken by the Province
- ◆ To continue to fund the redevelopment project at Holy Cross Hospital.
- ◆ To continue to review the future status of Holy Cross Hospital.
- ◆ To complete the separation work on the Haslemere site

- ◆ To review the long-term plans for the Sisters' residences
- ◆ To review the location of the Provincialate Office
- ◆ To explore options for setting up a grant-making function within the charity

Future plans for Holy Cross Hospital include:

- ◆ Working alongside specialist healthcare industry architects, produce a business case for the redevelopment project to deliver increased in patient capacity
- ◆ Continue the digital implementation plan, including new processes for training and patient services
- ◆ Carry out a full review of the outpatient department to maximise income and use of the hydrotherapy facility
- ◆ Develop fundraising activities, including recruiting specialist staff to improve marketing and fundraising activities

Other matters

13 Public benefit

In many different locations both in the UK and overseas, Sisters have lived and worked to help the public - not only to advance Religion but to bring relief and improvement through education, healthcare, and social work and in whatever other ways were open to them. The charity continues in this spirit.

Holy Cross Hospital provides services which are not widely available within the NHS or elsewhere. Through the Worldwide fund grants, the Sisters fund projects such as new schools and educational resources in developing nations including Nepal, India and Cameroon. The various grants to other UK charities helps those organisations to achieve their own charitable aims.

As required by the Charities Act 2011, the Charity Commission has issued guidance on the "public benefit requirement". The trustees have considered the guidance and have had regard to it when exercising any powers or duties to which the guidance is relevant. The trustees consider that many aspects of this report demonstrate the public benefit which the charity provides.

14 Safeguarding

In England, the charity works within the frameworks relating to the safeguarding of children and adults as expressed in the guidelines of the Roman Catholic Church, as issued by the Catholic Safeguarding Standards Agency (CSSA) and Religious Life Safeguarding Service (RLSS). The charity is an affiliate member of both organisations. We are a member of the National Board for Safeguarding Children in the Catholic Church in Ireland, but is exempt from safeguarding audits under the current system.

The charity has implemented robust policies and procedures to ensure everyone who interacts with the charity, particularly children and adults at risk, is supported in achieving their full potential in environments where they are protected from exploitation, abuse and any form of mistreatment.

During the year the charity underwent an external safeguarding audit, carried out by the CSSA. This process was part of the CSSA's Baseline Audit phase of Religious Life Groups and assessed the safeguarding practice of the twelve months to March 2025. The Province achieved a rating of Comprehensive Assurance, the second-highest rating on a seven tier scale. The outcome of the audit can be found here:

<https://catholicsafeguarding.org.uk/audits-and-reports/rlg-audit-reports>

Where the charity works in Ireland, the same strong commitment to safeguarding good practice exists, in line with the country-specific guidelines and frameworks in place in Ireland.

15 The environment

The trustees are aware of the charity's social responsibility to protect the environment. The Works have conservation and waste programmes in place to reduce the consumption of energy and water, to reduce waste so that as little as possible goes to landfill and to recycle metals, chemicals, etc. wherever possible. Our St Mary's Convent uses solar panels to generate a high proportion of its electricity, as does the Hydrotherapy Centre in Holy Cross Hospital. Whenever significant work is carried out on any of the charity's properties, opportunities are taken to reduce energy consumption. EV charging points have been installed at Holy Cross Hospital and the infrastructure to install them on the Cheam site is in place. Solar panels have been placed on the new build properties built in Cheam.

The Congregation has for many years held investments in solar and wind power and other 'green' energy funds and regularly engages with our investment managers on climate change matters. The charity has complied with all ESOS Phase 3 reporting requirements to date and will continue to report updates throughout the rest of the Phase 3 period.

16 Structure and governance

16.1 Legal structure

The charity is a charitable company limited by guarantee and its governing documents are its Memorandum and Articles of Association which set out the objects of the charity, the powers of its trustees and details of its general administration and governance.

In terms of Canon Law (which is the law of the worldwide Roman Catholic Church) the Congregation of the Daughters of the Cross of Liege is governed at an international level by the Superior General and her General Council (the Generalate). They are elected every six years at a meeting of elected representatives from around the world called a General Chapter. At the 2024 General Chapter a Superior General and four General Councillors were appointed for a six-year term. The two Councillors from the English Province, Sister Mary MacLaughlin and Sister Maureen O'Brien, both stood down at the end of their terms of office, however they both continue to be trustees with the Daughters of the Cross International.

The English Province, which covers Communities in England and Ireland, is governed by the Provincial Superior (Sister Veronica Hagen until 31 May 2024, since 31 May 2024 Sister Kathleen O'Reilly) and her Provincial Council (Sister Josephine Clemence (to 31 May 2024), Sister Kathleen O'Reilly, Sister Anne Kelly, and Sister Maureen O'Brien (from 31 May 2024). The Provincial Bursar, Sister Mary Geraldine, is appointed by the Provincial Superior and this appointment continues until such time as a change is made. By reason of holding these offices, these five Sisters are the current trustees.

The Worldwide Congregation has Constitutions, approved in Rome, which governs how the Sisters should organise their affairs and live their lives. As well as the English Province, the Congregation has a presence in Belgium, Brazil, Cameroon, Germany, India, Italy, Nepal, and Pakistan.

The Superior General of the Worldwide Congregation and the Provincial Superior of the English Province of the Congregation are the only two members of the company.

16.2 Governance and trustees

The Articles of Association provide that there shall be between three and ten trustees. The number will always include Sisters who are trustees by reason of their respective offices within the English Province of the Congregation. The trustees at 31 March 2025 are shown on pages 1 and 2. They have all lived and worked for many years within one or other of the charity's Works and all have personal experience of the services which the charity offers or has offered to the public.

The charity is unlike most charities in that the trustees devote, along with all the Sisters, their whole lives to the service of the charity and the people it serves. In normal circumstances, in living on the same sites as the Works, by meeting regularly and by visiting the Works and the Communities, the trustees oversee the smooth running of the charity. During the pandemic and subsequent constraints such as reduced access to buildings and beneficiaries, Sisters have had to adapt their oversight activities and stay connected in different ways. New ways of communicating with the lay associates, the employees, the beneficiaries, the volunteers, and all those connected in any way with the charity have also been crucial over the past two years.

The trustees meet six times during the year. Additional meetings are held as circumstances dictate to deal with time-sensitive issues such as changes to bank mandates, leases, etc.

Opportunities are taken to develop and enhance trustees' knowledge and expertise, and during the year they have attended various online conferences, seminars and training sessions on safeguarding, data protection, visas and UK Border Agency, risk and reserves, public benefit, financial governance and general trustee responsibilities.

Trustees reviewed the investment policy, governance arrangements, and refreshed their Essential Trustee knowledge. In particular, trustees have attended an in-depth seminar

series held by the Religious Life Safeguarding Service (RLSS) looking at safeguarding issues in the Catholic Church.

The Provincial Superior is the voting member of the Conference of Religious in England and Wales to which all Sisters belong, and the Provincial Bursar is a member of the Association of Provincial Bursars. Through these and other such memberships, through attending seminars and conferences, and newsletters from their advisers and others, trustees keep themselves up to date with changes within Religious Communities and with relevant changing legislation and regulation.

The trustees are aware that regardless of their experience in running the current and former Works of the charity, the environment in which the charity operates continues to evolve and develop, and they do not necessarily possess the full range of business skills required to govern effectively a substantial modern and up to date charity. For this reason, professional advice is extensively sought and relied upon, particularly in the areas of law, finance, accounting, property and investment. The trustees also benefit from the advice of the English Province Finance Advisory Committee, particularly on investments and treasury management, but also on other finance and governance matters.

The trustees have adopted the Charity Governance Code and continue to review governance arrangements against the code. Trustees also keep up to date with guidance and updates issued by the Charity Commission. The charity is also registered as a charity in Ireland and reports against the Charities Regulator's governance code, with progress reported at least annually at trustee meetings.

The charity has purchased insurance to protect it from any loss arising from the neglect or defaults of its trustees and officers and to indemnify them against the consequences of any neglect or default on their part. The policy provides cover for up to a maximum of £5,000,000.

17 Management

17.1 The Provincial Superior

The day-to-day activities of the charitable company are the responsibility of the Provincial Superior, who delegates the management to the key management posts in the Province and the Hospital. She speaks to and visits Sisters in their Communities regularly to assist with the many issues arising, e.g. the apostolic work, the Sisters' welfare, property issues and relations/negotiations with others in the local community. She attends regular meetings, discussing operational challenges and opportunities and identifies those decisions which require trustee discussion or approval.

17.2 The Communities

There are three Communities of Sisters, two in the UK and one in Ireland.

Each Community has a Sister Superior who has the responsibility for the day-to-day running of the Community. The Sister Superiors are recommended for appointment by the Provincial Superior, then ratified by the Superior General.

17.3 Holy Cross Hospital

At the Hospital, the Provincial Superior appoints a management team. The Sister Superior at our Haslemere Community attends management team meetings. The Superior, currently Sister Mary McLaughlin acts as a conduit between the management team and the board of trustees through regular meetings with the Provincial Superior.

The Hospital is supported by an Advisory Committee. The members of the Advisory Committees are appointed by the Provincial Superior in consultation with the relevant Sister Superior and the trustees. The Provincial Superior and the Sister Superior are ex-officio members of the committee. The membership therefore comprises trustees, Sisters, and lay people with an expertise in the work or with a relevant specialism. The Advisory Committees' purpose is to advise the Provincial Superior, the Sister Superior and the management team.

The management structure described above allows the management team to run the Hospital within the ethos, framework and strategy set by the trustees. It also allows important issues to be brought to the attention of trustees, enabling them to make the key decisions affecting strategy, policies, the facilities and services provided, and the service quality and delivery. This structure also enables the trustees to inform management of their current thinking and the reasoning for decisions.

17.4 Employees

The charity has always been and remains committed to opposing discrimination in its many forms and strives to be an inclusive employer. To further this commitment, the management teams throughout the charity ensure that recruitment and selection policies avoid direct or indirect discrimination and comply with all relevant legislation. The aim is to ensure that all employees are aware of and understand the charity's equal opportunities policies and are familiar with the legal framework. One exception to this is the post of Chief Executive Officer at Holy Cross Hospital, where the post-holder will ideally be a practising Catholic or, if not, a practising Christian.

17.5 Key management personnel

The trustees are key management personnel although they are not remunerated. Other key management personnel are the senior officer (CEO) at Holy Cross Hospital, who has delegated authority to run the Hospital in line with the agreed strategy and within the ethos of The Daughters of the Cross, and the finance director in the Provincialate Office.

Their pay and remuneration are set by the Provincial Superior with regard to the pay structure in the relevant part of the organisation, in consultation with trustees and appropriate members of the Advisory Committee and with regard to the external market.

18 Related parties

18.1 The Sisters

The Sisters of the Congregation covenant their pension and other income to the charity. They are also beneficiaries of the charity in that the costs of their welfare and activities are met by it. The trustees, including the Provincial Superior and the Provincial Bursar, are all Sisters and no trustee is remunerated for their services. No trustee had any beneficial interest in any contract with the charity.

18.2 Congregation of the Daughters of the Cross International

The International charity is the legal entity, based in England, for the Superior General and the General Council. The Daughters of the Cross International is a grant-making charity (no. 1142490), whose main activities are funding the Generalate and the Sisters in Rome and supporting other Congregation work and Provinces around the world. One trustee, Sister Maureen O'Brien, is also a trustee of this charity. Another of our Sisters, Mary McLaughlin, is also a trustee of the Daughters of the Cross International.

18.3 Worldwide Congregation

The charity and the Sisters are part of the Worldwide Congregation of the Daughters of the Cross of Liege. The worldwide Congregation includes Sisters being present in ten countries (UK, Belgium, Brazil, Cameroon, Germany, India, Ireland, Italy, Nepal, Pakistan).

Grants are made to Provinces of the Congregation around the world so that the charitable objects can be fulfilled outside the UK.

18.4 St Elizabeth's Centre

Sister Veronica Hagen was a trustee of St Elizabeth's Centre up to her resignation on 31 August 2025. Another of our Sisters, Sister Patricia Ainsworth, was also a trustee at St Elizabeth's and resigned on the same date. During the year, Sister Josephine Clemence stood down as a trustee at both the Daughters of the Cross of Liege (resigned 31 May 2024), and St Elizabeth's Centre (resigned 31 August 2024).

18.5 St Raphael's Hospice

Two trustees of this charity; Sister Veronica Hagen and Sister Kathleen O'Reilly are trustees of St Raphael's Hospice. In 2020, the charity and the Hospice entered into three 20-year lease agreements for the Hospice building, the 759 London Road office, and St Bede's conference centre. All three leases have a nominal rent of £100 per annum.

19 Statement of trustees' responsibilities

The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law 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 charitable company and of the income and expenditure of the charitable company 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 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 United Kingdom and Republic of Ireland (FRS 102).
- ◆ make judgements and estimates that are reasonable and prudent.

Trustees' report Year to 31 March 2025

- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees confirms that:

- ◆ so far as she is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- ◆ she has taken all the steps that she ought to have taken as a trustee in order to make herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

This Trustees' Report, including the Strategic Report contained therein, has been approved by the trustees at a meeting on 20 November 2025 and it is signed on their behalf by:



Sister Kathleen O'Reilly
Trustee

Registration details and principal advisers

Registration details

The Congregation of the Daughters of the Cross of Liege is a charitable company limited by guarantee incorporated in England and Wales and that is its registered name. Registration details are:

- ◆ Charity Registration Number: 1068661
- ◆ Company Registration Number: 3492921
- ◆ Registered Office and Principal Office address: St Joseph's Convent, 3 Buttner Road, Worcester Park, Surrey. KT4 8FY

Principal advisers

Auditor	Buzzacott Audit LLP 130 Wood Street London EC2V 6DL
Investment managers	BlackRock Investment Management (UK) Limited 12 Throgmorton Avenue London EC2N 2DL Sarasin & Partners LLP Juxon House, 100 St Paul's Churchyard London EC4M 8BU Evelyn Partners 45 Gresham Street London EC2V 7BG
Bankers	The Royal Bank of Scotland plc 250 Bishopsgate London EC2M 4AA
Solicitors	Farrer & Co LLP 66 Lincoln's Inn Fields London WC2A 3LH Mullany Walsh Maxwell 19 Herbert Place Dublin 2 D02 NY72 Ireland

Independent auditor's report to the members of The Congregation of the Daughters of the Cross of Liege

Opinion

We have audited the financial statements of The Congregation of the Daughters of the Cross of Liege (the 'charitable company') for the year ended 31 March 2025 which comprise the statement of financial activities, the balance sheet, and statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 charitable company's affairs as at 31 March 2025 and of 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 Companies Act 2006.

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 charitable company 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 charitable company'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 annual report, including the trustees' 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report including the strategic report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; 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, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

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 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:

- making enquiries of management and representatives of those charged with governance as to their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any or unusual or unexpected relationships;
- performed substantive testing of expenditure including authorization thereof; and
- tested journal entries to identify unusual transactions.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



5 December 2025

Edward Finch (Senior Statutory Auditor)
For and on behalf of Buzzacott Audit LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Statement of financial activities (incorporating income and expenditure account)
Year to 31 March 2025

	Notes	Unrestricted funds			Total funds 2025 £'000	Total funds 2024 £'000
		General funds £'000	Designated funds £'000	Restricted funds £'000		
Income from:						
Charitable activities	1	8,962	—	—	8,962	8,326
Investments	2	5,018	—	—	5,018	2,704
Donations and legacies	3	755	—	42	797	723
Other income	4	1,243	—	—	1,243	50,039
Total income		15,978	—	42	16,020	61,792
Expenditure on:						
Raising funds	5	720	—	—	720	551
Charitable activities						
Support of members of the Congregation and their ministry	6	2,927	—	—	2,927	4,602
Running Holy Cross Hospital		9,576	—	32	9,608	9,095
Grants and donations		22,091	—	—	22,091	3,222
Other expenditure		37	—	—	37	33
		34,631	—	32	34,663	16,952
Total expenditure		35,351	—	32	35,383	17,503
Net income (expenditure) before net gains (losses) on investments		(19,373)	—	10	(19,363)	44,289
Net gains (losses) on investments	12	982	—	—	982	7,418
Net income (expenditure)		(18,391)	—	10	(18,381)	51,707
Transfers between funds		(29,966)	29,966	—	—	—
Net movement in funds		(48,357)	29,966	10	(18,381)	51,707
Reconciliation of funds:						
Total funds brought forward at 1 April 2024		58,900	135,573	1,478	195,951	144,244
Total funds carried forward at 31 March 2025		10,543	165,539	1,488	177,570	195,951

The statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 37 to 53 form part of these financial statements.

Statement of financial activities (incorporating income and expenditure account)
Year to 31 March 2024

	Notes	Unrestricted funds		Restricted funds £'000	Total funds 2024 £'000
		General funds £'000	Designated funds £'000		
<i>Income from:</i>					
Charitable activities	1	8,326	—	—	8,326
Investments	2	2,704	—	—	2,704
Donations and legacies	3	694	—	29	723
Other income	4	50,038	—	1	50,039
Total income		61,762	—	30	61,792
<i>Expenditure on:</i>					
Raising funds	5	551	—	—	551
<i>Charitable activities</i>					
Support of members of the Congregation and their ministry	6	4,602	—	—	4,602
Running Holy Cross Hospital		9,062	—	33	9,095
Grants and donations		3,222	—	—	3,222
Other expenditure		33	—	—	33
		16,919	—	33	16,952
Total expenditure		17,470	—	33	17,503
<i>Net income (expenditure) before net gains (losses) on investments</i>		44,292	—	(3)	44,289
<i>Net gains (losses) on investments</i>	12	7,428	—	(10)	7,418
<i>Net income (expenditure)</i>		51,720	—	(13)	51,707
<i>Transfers between funds</i>		(3,519)	3,519	—	—
<i>Net movement in funds</i>		48,201	3,519	(13)	51,707
<i>Reconciliation of funds:</i>					
<i>Total funds brought forward at 1 April 2023</i>		10,699	132,054	1,491	144,244
<i>Total funds carried forward at 31 March 2024</i>		58,900	135,573	1,478	195,951

Balance sheet 31 March 2025

	Notes	2025 £'000	2025 £'000	2024 £'000	2024 £'000
Fixed assets					
Tangible assets	10		28,387		28,783
Investments	12		104,623		103,765
Investment property	11		567		540
			<u>133,577</u>		<u>133,088</u>
Current assets					
Debtors	13	600		806	
Cash at bank and in hand		<u>45,803</u>		<u>64,404</u>	
		46,403		65,210	
Creditors: amounts falling due within one year	14	<u>(2,243)</u>		<u>(2,176)</u>	
Net current assets			<u>44,160</u>		<u>63,034</u>
Total assets less current liabilities			<u>177,737</u>		<u>196,122</u>
Provisions for liabilities	15		<u>(167)</u>		<u>(171)</u>
Total net assets			<u>177,570</u>		<u>195,951</u>
The funds of the charity:					
Restricted funds	16		1,488		1,478
Unrestricted funds					
. Fixed assets fund	16	28,339		28,776	
. Other	16	<u>137,200</u>		<u>106,797</u>	
		165,539		135,573	
. General fund	16	<u>10,543</u>		<u>58,900</u>	
Total unrestricted funds	16		<u>176,082</u>		<u>194,473</u>
Total charity funds			<u>177,570</u>		<u>195,951</u>

Approved by the trustees of The Congregation of the Daughters of the Cross of Liege, Company Registration Number 03492921 (England and Wales), and signed on their behalf by:

The notes on pages 37 to 53 form part of these financial statements.

K.O. Reilly
Sister Kathleen O'Reilly

Sr. Mary McGinn
Sister Mary McGinn

Date of approval: *20th NOVEMBER 2025.*

Statement of cash flows 31 March 2025

	Notes	2025 £'000	2024 £'000
Cash flows from operating activities	A		
Net cash used in operating activities		(24,338)	(6,066)
Cash flows from investing activities			
Dividends, interests and rents from investments		5,018	2,705
Proceeds from the sale of tangible fixed assets		1,134	54,519
Purchase of tangible fixed assets		(512)	(1,626)
Proceeds from sale of investments		52,107	50,650
Purchase of investments		(48,470)	(42,929)
Decrease in cash held by investment manager		(3,738)	1,643
Other movements		198	24
Net cash provided by investing activities		5,737	64,986
Change in cash and cash equivalents		(18,601)	58,920
Cash and cash equivalents at 1 April 2024		64,404	5,484
Cash and cash equivalents at 31 March 2025	B, C	45,803	64,404

A. Reconciliation of net expenditure to net cash flow used in operating activities

	2025 £'000	2024 £'000
Net (expenditure) income (as per statement of financial activities)	(18,382)	51,707
Adjustments for:		
Depreciation charge	809	977
Fixed asset impairment charge	—	809
Gains on investments	(955)	(7,388)
Gains on the sale of fixed assets	(1,034)	(49,926)
Decrease (increase) in debtors	206	(281)
Increase in creditors	67	775
(Decrease) in provision	(4)	(5)
(Gains) on investment property	(27)	(30)
Investment income	(5,018)	(2,704)
	(24,338)	(6,066)

B. Analysis of cash and cash equivalents

	2025 £'000	2024 £'000
Total cash and cash equivalents – cash	45,803	64,404

C. Analysis of changes in net debt

	At 1 April 2024 £'000	Cash flows £'000	At 31 March 2025 £'000
Cash at bank and in hand	64,404	(18,601)	45,803

1 Income from charitable activities

	Unrestricted funds 2025 £'000	Total funds 2025 £'000
Fees and charges – Publicly-funded	8,171	8,171
Fees and charges – Privately-funded	791	791
	8,962	8,962

	<i>Unrestricted funds 2024 £'000</i>	<i>Total funds 2024 £'000</i>
<i>Fees and charges – Publicly-funded</i>	7,743	7,743
<i>Fees and charges – Privately-funded</i>	583	583
	8,326	8,326

2 Investment income

	Unrestricted funds 2025 £'000	Total funds 2025 £'000
UK investments	1,501	1,501
Overseas investments	609	609
Interest receivable	2,908	2,908
	5,018	5,018

	<i>Unrestricted funds 2024 £'000</i>	<i>Total funds 2024 £'000</i>
<i>UK investments</i>	1,747	1,747
<i>Overseas investments</i>	618	618
<i>Interest receivable</i>	339	339
	2,704	2,704

3 Income from donations and legacies

	Unrestricted funds 2025 £'000	Restricted funds 2025 £'000	Total funds 2025 £'000
Donations			
Donations	8	42	50
Covenanted income from Sisters of the Congregation – pensions and other income	705	—	705
Legacies	42	—	42
	755	42	797

	Unrestricted funds 2024 £'000	Restricted funds 2024 £'000	Total funds 2024 £'000
<i>Donations</i>			
<i>Donations</i>	19	29	48
<i>Covenanted income from Sisters of the Congregation – pensions and other income</i>	666	—	666
<i>Legacies</i>	9	—	9
	694	29	723

4 Other incoming resources

	Unrestricted funds 2025 £'000	Restricted funds 2025 £'000	Total funds 2025 £'000
Sale of fixed assets:			
Property	1,034	—	1,034
Motor vehicles	—	—	—
	1,034	—	1,034
Property	90	—	90
Other income	119	—	119
	209	—	209
	1,243	—	1,243

	Unrestricted funds 2024 £'000	Restricted funds 2024 £'000	Total funds 2024 £'000
<i>Sale of fixed assets:</i>			
<i>Property – St Wilfrid's</i>	49,380	—	49,380
<i>Property – other</i>	283	—	283
<i>Motor vehicles</i>	7	—	7
	49,670	—	49,670
<i>Property</i>	83	—	83
<i>Other income</i>	285	1	286
	50,038	1	50,039

5 Expenditure on raising funds

	Unrestricted funds 2025 £'000	Total funds 2025 £'000
Investment management costs	517	517
Support costs	203	203
	720	720
	<i>Unrestricted funds 2024 £'000</i>	<i>Total funds 2024 £'000</i>
<i>Investment management costs</i>	<i>353</i>	<i>353</i>
<i>Support costs</i>	<i>198</i>	<i>198</i>
	<i>551</i>	<i>551</i>

6 Analysis of expenditure on charitable activities

Summary by expenditure type

	Staff costs 2025 £'000	Non-staff costs 2025 £'000	Support costs 2025 £'000	Total 2025 £'000
Support of Members	817	1,494	616	2,927
Holy Cross Hospital	6,767	2,564	277	9,608
Grants and Donations	—	22,091	—	22,091
Other	—	24	13	37
	7,584	26,173	906	34,663

	Staff costs 2024 £'000	Non-staff costs 2024 £'000	Support costs 2024 £'000	Total 2024 £'000
<i>Support of Members</i>	<i>880</i>	<i>3,065</i>	<i>657</i>	<i>4,602</i>
<i>Holy Cross Hospital</i>	<i>6,370</i>	<i>2,419</i>	<i>306</i>	<i>9,095</i>
<i>Grants and Donations</i>	<i>—</i>	<i>3,222</i>	<i>—</i>	<i>3,222</i>
	<i>—</i>	<i>18</i>	<i>15</i>	<i>33</i>
	<i>7,250</i>	<i>8,724</i>	<i>979</i>	<i>16,952</i>

Net (expenditure) income for the year is stated after charging (crediting):

	2025 £'000	2024 £'000
Depreciation	808	977
Surplus on sale of tangible fixed assets	(1,034)	(49,670)
Gain on investment property	(27)	(30)
Auditors' total remuneration	111	106
Grants and donations	22,091	3,222

Of the grants and donations paid, £15m was to St Elizabeth's Centre (2024 - £2m) and £5m was to the Worldwide Congregation (2024 - £1.1m).

7 Support costs

	Governance 2025 £'000	Other 2025 £'000	2025 £'000
Staff costs	40	190	230
Professional fees	125	331	456
Property costs	—	184	184
Other costs	55	184	239
Total support costs	220	889	1,109

	Governance 2024 £'000	Other 2024 £'000	2024 £'000
<i>Staff costs</i>	38	179	217
<i>Professional fees</i>	153	333	486
<i>Property costs</i>	—	249	249
<i>Other costs</i>	109	115	224
Total support costs	300	876	1,176

	2025 £'000	2024 £'000
Attributed to the following activities:		
. Raising funds (note 5)	203	198
. Charitable activities (note 6)	906	979
	1,109	1,176

All costs relating to a particular activity are treated as costs of that activity. Support costs, which include governance costs, are the central costs incurred predominantly within the Province which supports the charity's activities and deals with its governance arrangements. Where costs specifically relate to an activity, they are allocated to that activity. General support costs are allocated to the activities on the basis of the cost and time spent on each of them.

The trustees are Sisters of the Congregation and are not remunerated for their work as trustees. The governance of the charity is dealt with by the trustees acting, where appropriate, after considering the advice of their professional advisers and with the assistance of the Senior Management Teams.

Trustees are, as are all Sisters, beneficiaries of and donors to, the charity and the charity meets the costs of their ministry and welfare. In the case of trustees, their costs include expenses incurred when they are fulfilling their trustee duties for which an allocation of costs is made.

Professional fees include payments to the charity's external auditors for audit fees of £64,000 (2024 – £57,000), which are included in Governance. Fees paid to the charity's auditor for other services, which all relate to taxation, governance, payroll services, and general financial advice and are included in support costs, amount to £47,000 (2024 – £49,000). The total amount paid to the auditors was £111,000 (2024 – £106,000).

8 Staff costs

	2025 £'000	2024 £'000
Wages and salaries	6,571	6,179
Social security costs	672	680
Contribution to defined contribution pension schemes	207	194
	7,450	7,053
Agency costs	362	413
Other staff costs	2	1
	7,814	7,467

The average number of persons employed by the charity during the year was as follows:

	2025 No.	2024 No.
Average number of staff in the year	193	187
Full time equivalent numbers of staff	169	165

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2025 No.	2024 No.
£60,001 - £70,000	8	7
£70,001 - £80,000	3	4
£80,001 - £90,000	3	—
£90,001 - £100,000	1	2
£120,001 - £130,000	1	—

Details of the pension contributions for those earning £60,000 per annum or more are shown below:

	2025		2024	
	Number	£'000	Number	£'000
Defined contribution schemes	16	44	13	27

The trustees are key management personnel of the charity; they are not remunerated as trustees but they are beneficiaries of the charity in that their welfare and work is funded by it. The cost of the support of all Sisters is disclosed elsewhere.

The Senior Officer at Holy Cross Hospital has delegated authority to run the Work in line with the agreed strategy and within the ethos and charism of The Daughters of the Cross. They are therefore also regarded as key management personnel, along with the Province Finance Director. The total employee benefits of this group, including pension contributions amounted to £241,197 (2024 – £186,221), which together with National Insurance Contributions of £28,360 (2024 – £21,508) brings the total cost of employment of key management personnel to £269,557 (2024 – £207,729).

9 Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2024 – £nil).

During the year ended 31 March 2025, no trustee expenses have been incurred (2024 – £nil).

10 Tangible fixed assets

	Freehold & leasehold land and buildings £'000	Assets in course of construction £'000	Medical Computer and office equipment £'000	Motor vehicles £'000	Total £'000
Cost or valuation					
At 1 April 2024	31,457	2,370	4,582	155	38,564
Additions	26	294	192	—	512
Transfers	1,545	(1,545)	—	—	—
Disposals	(1,089)	—	—	—	(1,089)
At 31 March 2025	31,939	1,119	4,774	155	37,987
Depreciation					
At 1 April 2024	6,311	—	3,349	121	9,781
Charge for the year	608	—	181	20	809
On disposals	(990)	—	—	—	(990)
At 31 March 2025	5,929	—	3,530	141	9,600
Net book value					
At 31 March 2025	26,010	1,119	1,244	14	28,387
At 31 March 2024	25,146	2,370	1,232	34	28,783

Included within freehold land and buildings are amounts for land at deemed cost of £6.94m (2024 – £6.94m) which has not been depreciated.

Under the transitional arrangements set out in FRS 102, the charity elected to treat property valuations prior to 1 April 2014 as their deemed cost at that date. Valuations were performed by a qualified external valuer, in accordance with the requirements of the RICS Valuation Standards and FRS 102. Subsequent additions are stated at cost.

11 Investment property

	Freehold investment property £'000
Valuation	
At 1 April 2024	540
Surplus on revaluation	27
At 31 March 2025	567

The values of investment properties are wholly based on valuations by independent valuers. This year, an updated valuation exercise was carried out by chartered surveyors, Weldon Beesly LLP, to determine the market value of the freehold agricultural grazing land in Much Hadham, following on from the full valuation exercise done in 2024.

The value of the land leased for the transmission mast in Haslemere was formally valued in 2014 by Reeves and Partners Chartered Surveyors and has been subsequently adjusted for changes in market valuations. Trustees are of the view that a multitude of factors are used to support the valuation including – but not exclusive to – market performance, comparable evidence, and consideration of specialist use of the land. Trustees are content with the current fair value given in the accounts. The lease is due for renewal on 1 November 2025 and a full independent valuation will be undertaken once new terms are agreed.

12 Fixed asset investments

	2025 £'000	2024 £'000
Market value at 1 April	101,764	105,780
Additions at cost	48,470	42,929
Sale proceeds	(52,107)	(52,091)
Investment gains	757	5,146
	98,884	101,764
Investment cash	5,739	2,001
Market value at 31 March	104,623	103,765

Historical cost of investments at 31 March 2025 £86.7m (2023 – £84.6m).

Gains and losses on investments recognised in the statement of financial activities are made up as follows:

	2025 £'000	2024 £'000
Gains on fixed asset investments	757	7,405
Other movements	198	13
Gains on investments per SOFA	955	7,418

Notes to the financial statements 31 March 2025

	2025 £'000	2024 £'000
Listed investments		
· Pooled funds	28,142	32,738
· Other	70,444	68,743
Unlisted shares		
· Pooled funds	15	15
· Other	283	268
Cash held for reinvestment	5,739	2,001
	104,623	103,765

13 Debtors

	2025 £'000	2024 £'000
Due within one year		
Trade debtors	451	598
Prepayments and accrued income	133	176
Other debtors	16	32
	600	806

14 Creditors: Amounts falling due within one year

	2025 £'000	2024 £'000
Trade creditors	186	837
Social security and other taxation	164	166
Accruals and deferred income	401	373
Grants approved not yet paid	1,163	467
Other creditors	329	333
	2,243	2,176

15 Provisions

	£'000
At 1 April 2024	171
Movement in year	(4)
At 31 March 2025	169

The provision for compensation is an amount set aside, originally to meet the charity's potential contribution to the Residential Institutions Redress Board (RIRB) established in Ireland to make compensation awards to people who, as children, were abused while resident in schools and other institutions subject to state regulation or inspection, as well as High Court claims that did not meet the criteria for claiming through RIRB.

The Redress scheme is now closed for applications, so the provision is held to meet any claims made through the High Court. A review carried out in 2021 in conjunction with our legal advisors in Ireland set the provision at €200,000. The change during the year is due to exchange rate movements.

16 Statement of funds

	Balance at 1 April 2024 £'000	Income £'000	Expenditure £'000	Transfers in/out £'000	Gains (losses) £'000	Balance at 31 March 2025 £'000
Current year						
Unrestricted funds						
Designated funds						
UK congregation funds						
Fixed asset fund	28,776	—	—	(437)	—	28,339
Daughters of the Cross fund	43,000	—	—	(18,000)	—	25,000
Charitable activities fund	20,200	—	—	(20,000)	—	200
Provinciate fund	33,000	—	—	(13,000)	—	20,000
Holy Cross Hospital fund	—	—	—	25,000	—	25,000
St Raphael's Hospice fund	2,700	—	—	12,300	—	15,000
Grant making fund	—	—	—	15,000	—	15,000
Haslemere convent development fund	—	—	—	2,000	—	2,000
Former works fund	—	—	—	5,000	—	5,000
	135,573	—	—	7,863	—	135,539
Congregation worldwide						
Annual grants fund	7,897	—	—	2,103	—	10,000
New Province fund	—	—	—	7,000	—	7,000
Germany fund	—	—	—	11,000	—	11,000
Development projects fund	—	—	—	2,000	—	2,000
	7,897	—	—	22,103	—	30,000
Total designated funds	135,573	—	—	29,966	—	165,539
General funds						
General funds	58,900	15,978	(35,352)	(29,966)	982	10,543
Total unrestricted funds	194,473	15,978	(35,352)	—	982	176,082
Restricted funds						
Hydrotherapy centre	1,432	—	—	—	—	1,432
Amenities fund	46	42	(32)	—	—	56
	1,478	42	(32)	—	—	1,488
Total funds	195,951	16,020	(35,384)	—	982	177,570

The designated funds have been set aside for specific purposes by the trustees out of unrestricted funds, although they may ultimately use such funds for other purposes. It is a policy that income and expenditure either relates to restricted or unrestricted general funds, thus there is no income or expenditure on designated funds. Designated funds are determined by trustees at the end of the year and the increases or decreases are reflected as transfers from unrestricted general funds.

◆ Fixed asset fund

The tangible fixed assets, of which property forms the major part, are of fundamental importance to the charity and without them the charity would be unable to fulfil any of its charitable objectives. The value of the assets is therefore not readily realisable and, to reflect that, their net book value has been established as a designated fund.

◆ Daughters of the Cross fund

This fund is established to ensure the care and support needs of the Sisters is sufficiently met over the course of their lives. The Sisters have carried out the charitable activities of the charity over many decades, so it is essential, as part of the charity's mission, that these Sisters are cared for both during and after they carry out their ministries. The fund is invested for the long-term and the investment returns earmarked for utilisation meet the shortfall of the Sisters' covenanted income over the costs of their welfare, their apostolic activities and the costs of the care of the frail and elderly members. The fund value has been reviewed and changed since last year given the new investment policy and reserves policy approved in the year.

The calculation of the size of the fund is based upon expected investment income returns in consultation with our investment managers. The £25m fund allows for sufficient returns to be generated to meet the shortfall between Sisters' income and expenditure.

◆ Charitable activities fund

This fund has been reduced significantly as most of the funds have been redesignated to other priorities. The remaining £200,000 relates to the investment property in Haslemere.

◆ Provincialate fund

The Provincialate office of the charity incurs running costs each year, which are met from investment income. For the foreseeable future the office will be required to support the Sisters and to be the central administration function of the whole charity. In order to meet these ongoing running costs, this fund has been established to provide the necessary income. The fund value has been reduced from £33m in 2024 to £20m in 2025. This reflects the change in approach to investment returns as set out in the investment policy.

◆ Holy Cross Hospital fund

The Holy Cross Hospital fund is a new fund set up this year to fund the expansion and redevelopment cost of the hospital. The fund value of £25m was set partly in response to an initial report from the architects, although trustees have increased the amount designated for this project due to likely additional costs. The fund is held in cash as the project is expected to be carried out over the next three years.

◆ St Raphael's Hospice fund

The St Raphael's Hospice fund is an existing fund but has been given a different purpose. The previous fund was much lower, and when it was set up several years ago, had specific amounts linked to the performance and requirements of the hospice. The fund now stands at £15m (2024: 2.7m) and is set up to be able to provide an annual amount to the hospice – should it be required – to help achieve a break-even result.

◆ Grant making fund

This fund has been set at £15m and aims to establish a new charitable activity within the Province. Trustees wish to be able to support causes that are aligned with their ethos and values. The fund will generate a return, net of fees and other expenses, to be spent as grants given to other UK charities. Plans for starting this new stream of work are currently in progress.

- ◆ **Haslemere convent development fund**
This fund is a new fund of £2m set aside for the redevelopment of the community house in Haslemere. The convent and living spaces require significant alteration in order to meet the current and future needs of the Sisters who live there. This fund is held in cash as the project is intended to be completed within the next two years.
- ◆ **Worldwide Congregation annual grants fund**
This fund has been renamed from the Worldwide fund, as there are now several funds that aim to support the daughters of the Cross across the world. This fund has been set at £10m (2024: £7.9m) and provides grants for development projects in countries such as India, Cameroon, and Nepal. The fund is held in investments in order to provide a level of funding that can grow at least in line with inflation.
- ◆ **Worldwide Congregation new province fund**
This fund has been renamed from the Worldwide fund, as there are now several funds that aim to support the daughters of the
- ◆ **Germany province fund**
This fund will provide financial assistance to the Daughters of the Cross Sisters in Germany, in order to pay for their care and living expenses, as well as the upkeep of the large property they own. This fund is comprised of a mixture of cash deposits and investments.
- ◆ **Worldwide Congregation development fund**
This new fund is set at £2m and held in cash. This fund will pay for the construction of a new house in Yaoundé, Cameroon, and help fund the latest stage of the development of the new hospital in Kolkata, India.

Restricted funds

- ◆ **Hydrotherapy centre**
This represents part of a legacy which had to be used at Holy Cross Hospital and is therefore restricted. The legacy was partly used to build a hydrotherapy facility and these were released to unrestricted funds. The remainder (being the restricted fund) was invested to generate an income to help meet the running costs of the facility.
- ◆ **Amenities fund**
This fund represents monies donated to support patients and staff activities, and patient amenities. The fund supports the running of the ambulances used to transport patients, and the cost of social activities and outings for patients. This includes the costs associated with the off-site cottage in Selsey that is used by patients as part of their care.

16 Analysis of net assets between funds

	General Funds 2025 £'000	Designated funds 2025 £'000	Restricted funds 2025 £'000	Total funds 2025 £'000
Tangible fixed assets	—	28,387	—	28,387
Fixed asset investments	2,501	102,689	—	105,190
Net current assets	8,209	34,463	1,488	44,160
Provisions for liabilities and charges	(167)	—	—	(167)

10,543	165,539	1,488	177,570
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17 Related party transactions

Sisters

The Sisters of the Congregation are beneficiaries of the charity, in that the costs of their ministry and welfare are met by the charity. The trustees are all Sisters and they are not remunerated for their services. No trustee had any beneficial interest in any contract with the charity.

The trustees, as Sisters of the Congregation, covenant their pensions and other income to the charity. During the year the five trustees covenanted an aggregate of £117,760 to the charity (2024 – £115,421).

Worldwide Congregation

The Sisters are members of the worldwide Congregation of the Daughters of the Cross of Liege and the charity has objects which are not restricted to the UK. Total grants of £144,000 (2024 – £1,148,000) were made during the year to the worldwide Congregation. Grants were made for projects in Rourkela (India), Nepal and Cameroon. There was also a grant of £929,000 made to the Sisters in Germany (2024 - £nil) to support them during a challenging financial period.

Daughters of the Cross International

One trustee, Sister Maureen O'Brien, is also a trustee of this charity. Another English Province Sister, Mary McLaughlin, is also a trustee of the International charity. During the year a grant of £5m was made to the Daughters of the Cross International, to further their grant-making abilities across the worldwide Congregation of the Daughters of the Cross.

St Raphael's Hospice

Two trustees of this charity; Sister Veronica Hagen and Sister Kathleen O'Reilly are trustees of the St Raphael's Hospice charity. On 1 November 2020, this charity and the Hospice entered into three 20-year lease agreements for the Hospice building, the 759 London Road office, and St Bede's conference centre. All three leases have a nominal rent of £100 per annum. During the year, the Province made a grant of £1m to the Hospice.

St Elizabeth's Centre

Sister Veronica Hagen is a trustee of the Daughters of the Cross and was a trustee of St Elizabeth's Centre up to 31 August 2025. During the year, the Province paid a grant of £15m (2024 - £2m) to St Elizabeth's Centre to help enable the long term sustainability of the Centre.

19 Capital commitments

As at 31 March 2025 the charity had commitments of £nil (2024 – £126,000).

20 Pension commitments

The Works contribute to pension schemes, providing pensions under both defined benefit and defined contribution arrangements.

The assets of the funded schemes are held independently of the charity's finances.

Details of the contributions are as follows:

Name	Type of Scheme	Administrator	Contributions in year	
			2025 £'000	2024 £'000
Holy Cross Hospital	Defined benefit	NHS Pension	18	10
Holy Cross Hospital	Defined contribution	The People's Pension	161	151
Province	Defined contribution	The People's Pension	22	20
Non-scheme contributions			6	13
			207	194

National Health Service (NHS) Pension Scheme

The NHS pension scheme is a defined benefit scheme operated by the National Health Service Superannuation Scheme. The administration of the scheme is dealt with by the National Health Service Pension agencies. The charity is unable to identify its share of the underlying assets of the scheme. Accordingly, it has accounted for its contributions as if it were a defined contribution scheme. Contributions to this scheme are paid in respect of current service. There is no liability to the charity in respect of past service.

21 Post balance sheet events

There are no post balance sheet events that require disclosure.

22 Scope

The financial statements disclose the financial position and results of the charitable company, which incorporate and aggregate the results of the Province and Holy Cross Hospital, Haslemere, Surrey.

As at 31 March 2025, the three existing Communities were: Cheam St Mary's/St Joseph's, Surrey; Haslemere, Surrey; Stillorgan (Dublin), Ireland.

23 Accounting policies

Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation of financial statements (continued)

The Congregation of the Daughters of the Cross of Liege meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

Critical accounting estimates and areas of judgement

The trustees consider that the judgements they have made in the process of applying the charity's accounting policies which give rise to significant effects on the amounts recognised in the financial statements are:

- ◆ The estimated useful lives of fixed assets and therefore the rates of depreciation;
- ◆ The future commitments and other obligations that are used to establish the value of designated funds; and
- ◆ The fair value of listed and unlisted investments.

The trustees do not consider that there are any key assumptions concerning the future, or any other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Going concern status

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements and they have made this assessment in respect of a period of one year from the date of approval of these financial statements.

The trustees are confident that the charity has, and will continue to have, sufficient resources to meet its liabilities as they become due. The trustees have concluded that there are no material uncertainties related to events or conditions that would cast significant doubt on the ability of the charity to continue as a going concern. This is because they believe they have sufficient unrestricted reserves to withstand any temporary drop in income or any additional unexpected liability.

Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

At the end of any financial year, the charity will have issued invoices to local authorities, health authorities, and individuals which cover a period beyond the balance sheet date. This income is carried forward and disclosed as "Income received in advance".

In accordance with the Charities SORP FRS 102, no financial valuation of volunteer time is recognised in these financial statements.

Donations represent income given by individuals, corporations and trusts including recoverable taxation.

Legacies are included in the statement of financial activities when there has been a grant of probate, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the charity.

Covenanted income from the Sisters of the Congregation arises from the donation of their pensions and other income.

Grants receivable are accounted for in the period in which they fall due. Grants from the government and other agencies are included as income from charitable activities where they amount to a contract for services, and as donations where the money is given in response to a fundraising appeal or with greater freedom of use.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

Income from charitable activities

- ◆ Fees and charges are derived from individuals and Public Authorities and are stated exclusive of VAT.
- ◆ Other income represents proceeds from the sale of food and sundry other income.

Investment income

Investment income, representing dividends, interest, and income from property, includes any associated tax recoverable. Dividends are recognised once the dividend has been declared and when the right to receive the dividend payment is irrevocable.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost or valuation, less accumulated depreciation and, where appropriate, impairment provisions. All assets costing £5,000 or more, and with an expected useful life exceeding one year, are capitalised. A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of any fixed asset may not be recoverable.

The majority of freehold land and buildings under the total control of the trustees and in use within the charity were valued at 31 March 2014 on a depreciated replacement cost or an existing use basis. Under the transitional arrangements set out in FRS 102, the valuations are deemed to be equal to cost at the date of transition. Subsequent additions are stated at cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	2-5% on cost or revalued amounts
Leasehold property	over the period of the lease
Motor vehicles	10-25% on cost
Medical, computer and office equipment	4-33% on cost

Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Liabilities

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects

the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Pensions

◆ ***Defined benefit schemes***

The charity contributed to one defined benefit pension scheme, the NHS Pension Scheme, providing benefits based on either final or career-average pensionable salary, depending on the scheme. The National Health Service Superannuation Scheme is a multi-employer defined benefit scheme and is an unfunded scheme. As it is not possible to identify the share of the underlying assets and liabilities belonging to individual participating employers, the contributions to the scheme are recognised in the statement of financial activities so as to spread the cost of pensions over employees' working lives.

◆ ***Defined contribution schemes***

The charity operates a number of defined contribution pension schemes. The amounts charged to the statement of financial activities represents the employers' contributions payable to the schemes in the year.

Fund accounting

The general fund represents unrestricted and undesignated monies used to fund working capital and which the trustees may use at their discretion in furtherance of the charity's objects.

Designated funds are those funds earmarked by the trustees for a specific purpose. They are unrestricted, and the trustees may ultimately use such funds for other purposes. Any income, gains or losses on the assets underlying the designated funds form part of general unrestricted funds.

The funds represented by the net book value of fixed assets are treated as designated funds.

The restricted funds are funds which have been raised for a specific purpose or which are subject to restrictions on their use and include those funds which have to be spent at a particular Work. Restricted funds raised for capital expenditure are released to unrestricted funds once they have been spent. Any income, gains or losses arising from the assets underlying the restricted funds form part of restricted funds.

THE CONGREGATION OF THE DAUGHTERS OF THE CROSS OF LIEGE

England & Wales - Charity number 1068661

Accounts

**The Congregation
of the Daughters
of the Cross
of Liege**

**Annual Report and Financial
Statements**

31 March 2024

Company Registration Number: 03492921

Charity Registration Number: 1068661

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1 Summary of activities

The activities of the charity during the year under review can be considered under two headings.

- The ministry of the Sisters

Provision of housing, care and support for the Sisters. The voluntary work of the Sisters in their local communities, health & welfare settings and their support for the Daughters of the Cross worldwide.

- Healthcare provided at Holy Cross Hospital, Haslemere, Surrey.

A hospital providing care and rehabilitation for patients with complex neurological needs.

Website: holycross.org.uk.

The Hospital has 42 beds, over 50 in-patient beneficiaries, 144 employees and 21 volunteers.

The activities of the Sisters are supported by a small central staff who deal with statutory and charity-wide matters, including monitoring the investments and funding Sisters' Communities. The central administration also encompasses the lay staff caring, cooking, and providing housekeeping for elderly Sisters in Haslemere, Chelsea, Much Hadham, Cheam, and Stillorgan, Ireland.

Our finances

	2024	2023
Total expenditure	£17.5m	£14.4m
Total income	£61.8m	£10.8m
Net income (expenditure)	£44.3m	£(3.6m)

These amounts are achieved before investment and other gains and losses.

Our people

	2024	2023
Total staff costs	£7.4m	£7.3m
Employees	187	193
Volunteers	23	21
Sisters	31	35

2 Trustees

The trustees who served during the year and during the period prior to the report and accounts being signed are:

Sister Veronica Hagen*

Chair and Chief Executive of the Charity (to 31 May 2024)

Provincial Superior and Chair of the Provincial Council (to 31 May 2024)

Sister Mary McGinn (aka Sister Mary Geraldine)

Provincial Bursar

Sister Josephine Clemence* (aka Sister Annette Clemence) (resigned 31 May 2024)

Sister Anne Kelly*

Sister Kathleen O'Reilly*

Chair and Chief Executive of the Charity (from 31 May 2024)

Provincial Superior and Chair of the Provincial Council (from 31 May 2024)

Sister Maureen O'Brien* (appointed 31 May 2024)

* Members of the Provincial Council

Trustees' thanks

None of the charity's work could be achieved without the dedicated loyalty of all the staff employed by the charity, the efforts of the 23 full-time and part-time volunteers (2023 – 21) the commitment and effort of the 31 Sisters in the Province (2023 – 35 Sisters) or without the continuing generosity of its donors and supporters. The trustees are also extremely appreciative of all the members of the Advisory Committees who contribute to the charity's work by devoting their time and expertise.

To all these groups, the trustees offer their grateful thanks and their prayers.

Strategic Report

3 Introduction

The trustees are pleased to present their report, together with the financial statements of The Congregation of the Daughters of the Cross of Liege, for the year ended 31 March 2024. The trustees' report, including the strategic report, has been prepared in accordance with Part 8 of the Charities Act 2011 and also constitutes a directors' report for the purposes of the Companies Act 2006.

The financial statements are presented in accordance with the accounting policies on pages 48 to 53 and comply with the requirements of the Charities Act 2011, the Companies Act 2006, the charity's Memorandum and Articles of Association, applicable laws, United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice), and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP FRS 102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

4 Charity's aim and objects

The aim of the charity is to provide a legal framework in the UK for the Sisters to follow their calling and to meet the obligations set out in their own Constitution.

In February 1782, in Liege, Belgium, Jeanne Haze was born. As a result of the French Revolution, Jeanne and her family were exiled in Germany, during which time her father died. Jeanne was conscious of her vocation early in her life and was drawn to helping those most in need. On 8th September 1833 Jeanne, and her sister, Ferdinande, made their perpetual vows. The two sisters were joined by other young women wishing to lead a religious life. Jeanne received the name Mother Marie Therese, with Ferdinande receiving the name Mother Aloysia. Along with Sisters Clara and Constance, and two postulants, the Congregation of the Daughters of the Cross was born. This small community of Sisters responded whenever they could to the needs of the people around them, nursing the sick in their own homes, caring for women prisoners, teaching children by day and adults in the evening.

Blessed Marie Therese was beatified on 21st April 1991. She died on 7th January 1876, by which time she had received more than 900 Sisters into the Congregation and founded 51 communities. These communities were spread across Europe and Asia; Germany (founded in 1849), India (1861), and England (1863), when the English Province was established. In 1910 the Sisters' work was given a more formal framework under a trust deed and in 1998 the activities were transferred to a charitable company limited by guarantee, the objects being based on their Constitutions. The charity is established to:

- ◆ advance religion, by establishing and maintaining residencies for the Sisters of the Congregation.
- ◆ advance religion, advance education and relieve poverty and suffering, by direct activity in the community and by all other charitable means, including giving alms to the needy.
- ◆ relieve poverty and suffering, by establishing and maintaining hospitals, hospices, nursing homes and residential homes for the sick, elderly and needy.
- ◆ advance education, by establishing and maintaining educational institutions in accordance with Canon 803 of the Code of Canon Law.
- ◆ carry out any other charitable purpose for the benefit of the community as the trustees shall from time to time determine.

For the Sisters, Religion is the commitment to love and serve God as expressed in their vows and is and always has been the centre of their lives and everything they do. Thus, to them, Religion is not just about worship and prayer but encompasses, among other things, teaching and caring for others. To quote from the Sisters' Religious Constitution "They serve Christ in the works of general and special education, the care of the sick and the aged, abandoned children, the physically, psychologically and mentally challenged, the socially deprived, local pastoral work and the various needs of the Church". The Sisters do not see the above objects as separate activities but as all part of the one Religious life they have chosen.

The Religious commitment of the Sisters permeates all of the charitable activity carried out in the name of the Province and the charity.

5 Strategic plans and objectives

The trustees are continuing to work on their strategic objective of resolving the long-term futures for:

- ◆ The Sisters, including where and how they live and are supported and cared for;
- ◆ Holy Cross Hospital, as eventually there will be an insufficient number of Sisters with the appropriate skills to continue to be responsible for the Hospital, whose activities are complex and heavily regulated.

Supporting these longer-term strategic plans, are the objectives of the charity;

- ◆ Ensure that the senior management of the charity have the required capacity and capability to run the day-to-day operations of the charity in line with their set objectives, including meeting or exceeding all regulatory standards.
- ◆ Ensure that the Sisters have the means to enable them to live their lives as spiritually and actively as possible.
- ◆ Provide healthy, inclusive, and safe environments for Sisters, beneficiaries, staff, volunteers, and visitors.
- ◆ Provide services that are complimentary to those available locally through the NHS and to do so in co-operation with statutory authorities and other healthcare professionals.
- ◆ Continue to develop services in neuro-disability and associated rehabilitation of physically disabled adults by increasing the knowledge and expertise of staff, collaborating with the NHS and other professionals and by improving facilities.
- ◆ Operate the physiotherapy centre as a service to local people, offering high quality and accessible physiotherapy services and classes.
- ◆ Provide comprehensive training programmes for staff and make these available as appropriate to other local care providers and agency staff.
- ◆ Maintain the ethos of the Congregation across all areas of the charity.

6 Activities, performance and achievements in the year

Sisters' and Provincialate objectives and activities:

The activities of the Sisters and the central office are referred to in this report as 'The Province', as a collective term for their combined activities. Holy Cross Hospital and the activities that take place there, are described separately, as the two parts of the charity operate quite differently on a day-to-day basis.

The objectives for the Province for 2023/24 were:

To complete the major building works on our Cheam site

The new house and two flats are almost complete at the year-end date but are not yet in-use. The redevelopment of the Gander Green Lane house is also ongoing, with completion for both of these projects expected in the summer of 2024.

6 Activities, performance and achievements in the year (continued)

To review the long-term plans for Sisters' residences

These plans remain on hold, largely due to delays with the various property projects described above. This work rolls on into next year.

To resolve the future of St Wilfrid's, Chelsea

The property was placed back on the market in September 2023. The sale of the property was completed on 28 March 2024.

To fund and complete the redevelopment project at Holy Cross Hospital

The first phase of the redevelopment project, encompassing the creation of two additional patient beds, the conversion of the former St Joseph's Convent building into staff accommodation was completed in the year. Phase two work, the redevelopment of St Margaret's into modern office and meeting space is progressing well and was almost complete at the year end. Work on both phases of the project is expected to be completed by the summer of 2024.

The main activities of the Province are:

- ◆ the welfare of the frail and elderly Sisters;
- ◆ the individual ministries of the Sisters
- ◆ the support of Holy Cross Hospital;
- ◆ the support of the former Works of the charity; and
- ◆ the support of the Worldwide Congregation.

The Province continues to have a presence in England and Ireland. The Sisters continue to fulfil the objectives of their Religious Constitutions, which are further reflected in the charitable company's Memorandum and Articles of Association.

The Sisters are trustees, part of management, donors, and beneficiaries. The trustees, like all our Sisters, covenant their pensions and other income to the charity. Having taken a vow of poverty they have no financial resources of their own and they are provided for by the charity as beneficiaries. The Sisters have spent their entire working lives in one or other of the past or present Works and when they reach their later years the charity continues to care for them. As Sisters age, the care and support they require in their Communities is gradually increasing.

The Sisters continue to fulfil the objects set out in both their Religious Constitutions and in the charitable company's Memorandum and Articles of Association, despite the advancing age and frailty of some of the members. The Sisters provide in-house facilities in England and Ireland to meet the need of their growing number of very frail and sick members, who need full time care. For Sisters with complex healthcare needs the Congregation may purchase a separate care provision.

6 Activities, performance and achievements in the year (continued)

To fund and complete the redevelopment project at Holy Cross Hospital (continued)

Several of our Sisters are trustees of other charities (where they act as individuals, not on behalf of the Province). Sister Annette Clemence (until 31 August 2024), Sister Pat Ainsworth, and Sister Veronica Hagen are trustees at St Elizabeth's Centre. As well as being trustees, the Sisters have roles as school governors (Sister Annette) and Sister Pat), a college governor (Sister Annette), and a member of the healthcare quality committee (Sister Veronica). Sister Veronica and Sister Kathleen O'Reilly are trustees of St Raphael's Hospice. Sister Kathleen is also a member of the Hospice finance committee and Sister Veronica sits on the income generation committee. Five sisters serve as trustees for this charity.

The Provincial Superior and Provincial Bursar are members of Conference of Religious in England and Wales and the Association of Provincial Bursars respectively and participated in the Annual Conferences in 2023. Sisters are members of the Association of Senior Religious JPIC. During the year, the Province subscribed to membership of the Religious Life Safeguarding Service (RLSS) and the Catholic Safeguarding Standards Agency (CSSA) and are in the process of refreshing our own safeguarding procedures.

The governance and oversight work these Sisters do in the various charitable organisations they support is part of their mission and contribution to civil society and local communities.

The Province has two dedicated Care Communities to support the full-time care needs of 20 frail elderly members. The Communities are based in Haslemere, Surrey and in Stillorgan, Dublin. This arrangement enables these Sisters to continue to participate in the spiritual rhythm and companionship of community life, whilst continuing to receive the care they need.

No Sisters are currently in paid employment. All Sisters are over 70 years old, so it is unlikely any will carry out any paid employment in the future. However, Sisters remain very active and carry out a great deal of unpaid work in a variety of settings. With expert advice, the Sisters manage the income and reserves of the Province in a socially and environmentally responsible manner, to ensure we can support our commitments both at home and abroad.

Each Sister is supported in their chosen ways of volunteering in their neighbourhood. Examples are organising chaplaincy support, offering spiritual and/or pastoral companionship to pupils, patients, staff and relatives within our own hospital (Holy Cross), or in our previously owned services that are now independent charities. Sisters also take part in ecumenical activities, particularly those helping homeless people or those on low incomes. The Province continues to support a charity that supports victims of human trafficking and continues its support for Living and Dying Well's work in the end-of-life debate.

Some examples of mission work carried out by Sisters during the year are set out below:

Sister Tessa Fisk, based on Holy Island in Northumberland continues to give her pastoral support to the Catholic community on the island and is active within the island's ecumenical and social networks.

6 Activities, performance and achievements in the year (continued)

To fund and complete the redevelopment project at Holy Cross Hospital (continued)

Sister Ann Venita, a member of our Cheam community, volunteers at St Raphael's Hospice on a daily basis. This can involve speaking to patients and their families, writing cards and letters to families, and arranging for patients of all faiths to speak with or receive visits from ministers of their own religion. Sister Ann also volunteers in the Hospice's Wellbeing Centre, where they welcome cancer patients, hospice at home patients, and their families and provide emotional support, fun, exercise, and joy. This year, Sister Ann accompanied a pilgrimage to Lourdes for HCT, a charity that organises pilgrimages for disabled children and adults.

Sister Cecilia D'Mello, a member of our Haslemere community, volunteers in Holy Cross Hospital, supporting patients and staff. Sister Pat Walsh, who also lives in Haslemere, teaches English to our Polish staff working in the community house.

Our Sisters in Ireland continue to support and house two Ukraine families who have sought refuge from the invasion by Russia. The two families are living on the Stillorgan site, under an agreement signed with the Irish Refugee Council. The agreement is in its second year, having been renewed for another 12 months. Both families are settled and interact with the Sisters. The children attend local schools and have a safe garden to play in. Sisters in Ireland continue to be involved in their local community, with Sister Marlene Syllas involved in the work of the local Parish, and Sister Joyce Cullinane continuing her many years of working and volunteering at St James's Hospital, Dublin.

The Sisters also continue to be involved with The St Stephen's Green Trust in Ireland, where our endowment continues to fund vital work in the area of social justice. The Daughters of the Cross gave the Trust a €3m permanent endowment in 2003 and the income generated from that sum is spent supporting the work of the Trust in Ireland, in line with the Deed of Gift. The work of the St Stephen's Green Trust in the areas of relief of poverty and advancing welfare and health in communities is very closely aligned with the charitable aims of the Daughters of the Cross.

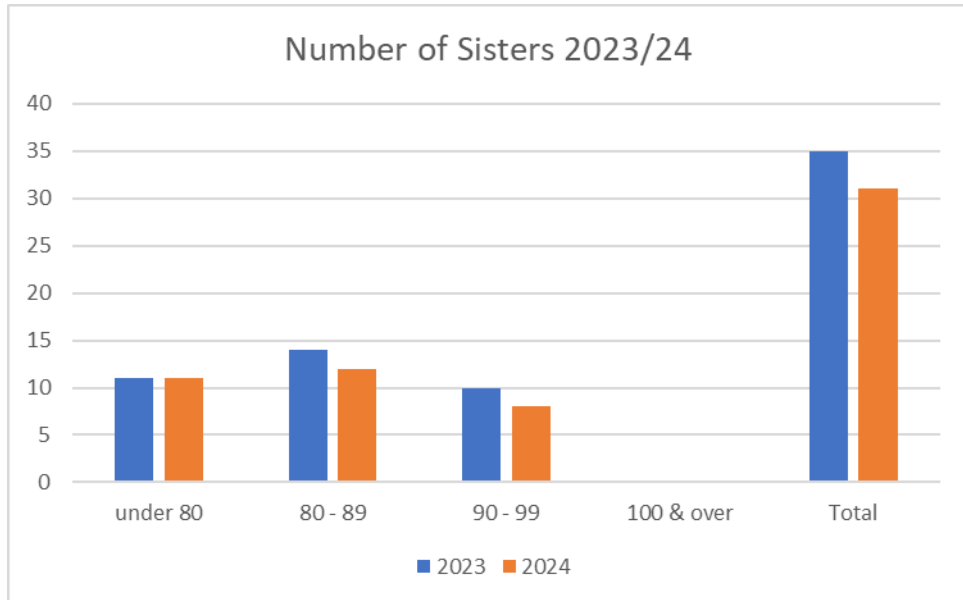
Sister Gillian Price works closely with RESULTSUK and JPIC (Justice Peace and the Integrity of Creation) with their advocacy work on nutrition, healthcare, 'giving a voice to the voiceless', supporting asylum seekers, and working to end poverty in developing countries. This work includes engaging with MPs and other parliamentarians in order to use UK overseas development aid more effectively.

The Sisters care deeply about their own impact on the environment and nature. They continually seek to address environmental and ecological issues and maximise reusing and recycling in their own living areas, caring for local wildlife, conserving water, and engaging in citizen science projects that support biodiversity and protecting UK wildlife that is under threat.

6 Activities, performance and achievements in the year (continued)

To fund and complete the redevelopment project at Holy Cross Hospital (continued)

At 31 March 2024 there were 31 Sisters (29 in Communities and 2 on the General Council) in the Province (2023 – 35 Sisters (33 in Communities and 2 on the General Council)). During the year, four of our Sisters died: Mary Agnes, Rose McDermott, Mary Eugene, and Una Cullen. The average age of a Sister at 31st March 2024 was 83.7 years (2023 – 83.6 years).



Sisters normally spend time on retreat each year in silent contemplation and prayer. The purpose of retreats being to deepen their own spiritual life and to reflect on and evaluate how they are fulfilling their commitment to helping those most in need.

The Province's frail and elderly Sisters are cared for in appropriately adapted accommodation in Haslemere, Surrey and in Stillorgan, Ireland within a Community setting and with the help of lay staff. The costs are significant, but it avoids the need for Sisters to go into the full-time and even more expensive care of others.

Communities are also supporting adult groups known as Associates of the Daughters of the Cross. These are people who wish to embrace the Charism and Ethos of the Congregation and who in turn support the Congregation's ministries with their prayers. The English Province Sisters support Associates in Carshalton, Cheam, Jarrow and Much Hadham in England, Stillorgan in Ireland and Tracy in the USA, and there are other groups of Associates in many of the countries in which the Congregation works.

The Province supports the Worldwide Congregation in various ways. Until June 2024, the English Province provided two members of the General Council; Sister Maureen O'Brien (served for six years on the Council) and Sister Mary McLaughlin (served for twelve years). The Province continues to hold the Worldwide Fund designated fund, which enables it to provide grants for the International Generalate to support other Provinces around the world. The Province pays an annual contribution towards the running of the International Generalate and the costs of the Chapter and General Meetings, and hosts the Generalate for its finance committee and trustee meetings in our St Ann's building in Cheam.

6 Activities, performance and achievements in the year (continued)

Holy Cross Hospital

Working in close co-operation with the NHS (from which most patients are referred), Holy Cross Hospital provides high quality inpatient services to adults with severe and complex neurological disabilities or illnesses that may arise from acquired brain injury, spinal cord injury or advanced stage of degenerative illness. It also has a physiotherapy centre which houses the hydrotherapy pool, enhancing the treatment of some inpatients and providing excellent facilities for outpatient treatment. The Hospital makes the benefits of physiotherapy and hydrotherapy available to as many local people as possible. The Hospital is also able to provide short-term rehabilitation and respite care.

Most of the inpatients referred to the Hospital have been in contact with statutory services and most of the Hospital's income is derived from NHS Integrated Care Boards (ICBs), and Local Authorities, who are responsible for funding such healthcare services.

The Hospital aims to achieve the best possible quality of life for all those using its services, with a high priority being given to engaging the support and participation of family members. Some patients require access to the Hospital's services over prolonged periods, therefore great effort is devoted to making the environment as home-like as possible, to which donations and the work of volunteers make a major contribution.

During the year, and following extensive building and refurbishment work, the Hospital increased its capacity from forty to forty-two beds (from August 2023 onwards).

The work on the two building projects, which comprised alterations to a former convent building in order to provide improved staff accommodation, and the conversion of offices to provide the two additional inpatient rooms, was successfully completed. A new project started during the year, to provide additional office space by converting the old staff accommodation, and this work is scheduled to be completed in April 2024.

The Hospital achieved an average of 97.8% in-patient occupancy (2023 – 93.5%). The increase in occupancy was related to the continuation of the reduced impact of the Covid-19 pandemic, with a consequent increase in the number of suitable patients being referred to the Hospital. Recovering occupancy to pre-pandemic levels and securing the staff required to deliver services were the primary areas of focus this year. The Hospital is rated as Outstanding by the Care Quality Commission (CQC).

During the year all our archived patient records, stored as paper documents, were scanned and a secure digital archive created, improving ease of access when required and removing the need for storage space.

Securing sufficient staff continued to be difficult and the Hospital has had to use more agency staff in order to ensure that levels of care were maintained.

An interim CEO had been in place since August 2022. The trustees were delighted to appoint a new permanent CEO, Frances Campion-Smith, who started in October 2023. This is a key appointment for the charity as the trustees continue their work to set out the future of the Hospital.

6 Activities, performance and achievements in the year (continued)

Grants

Although grants were awarded each year, the charity is not primarily a grant-making charity.

Before every grant is approved, a request for appropriate information to support the grant is made to ensure that it is within the charitable objectives and being made to an organisation or on a project which the trustees wish to support. The impact which the grant would make is also considered. For all grants made within the Worldwide Congregation, reports are received (including photographs) to show what has been achieved with the funds.

During the year there were £148,000 (2023 – £165,000) of worldwide fund grants made to communities of the Worldwide Congregation to help their work in poor local communities in Cameroon, Nepal, and Rourkela, India. There was also a separate grant awarded to a large hospital project in Kolkata (India), for £1m.

For the regular worldwide fund grants, two grants were awarded to Nepal, both supporting the work being done by Sisters at the Christalaya convent in East Nepal. The total of the two grants was £38,000.

The first project is to support the children at the Christalaya Hostel in Maheshpur. Maheshpur is an area where a high percentage of the population are landless labourers, working in the tea gardens and paddy fields, while living in small accommodation provided by their employers. The children of these workers, as well as girls living in challenging and impoverished homes are given access to good quality education, medical care and wellbeing services, and are able to learn crafts and other skills needed in later life. The Hostel currently has 35 boarders (up from 30 last year), from very young children to college-age students. The Morning Start Nursery provides the younger children with good quality early years care and development, to prepare them for school. Last year it had 46 children attending regularly (up from 37 last year). The Hostel also provides medical and pastoral care for the children. The £10,000 grant was to help to support more children in the nursery, complete the creation of the children's play park, and pay for food, toiletries, and equipment used by the children, and pay the costs of the teaching and nursery staff.

The second project was to support the St Joseph's school in Tulachan, East Nepal. The school was started in 2015 and provides education for up to 360 pupils, up from 276 in the previous year. The area has a low literacy rate and many people in the Santhal Tribe, who populate this area, earn their living as agricultural labourers, but do not own any land themselves. The grant of £28,000 was to fund buying books, uniforms, desks, benches, and chairs for the pupils, as well as covering the costs of the teaching and non-teaching staff. The grant also covered the school fees for 100 children, who come from families who are not able to afford to pay themselves. Due to the rising number of pupils, three more teachers were recruited this year, on top of the additional six last year.

In Rourkela, India, two grants of £21,500 each were awarded to the Daughters of the Cross Rourkela Province. The first project was to fund the completion of the development of the St Joseph's school in Gaibira. The grant will help to fund the completion of the construction work that was started several years ago but was disrupted by Covid, it will also pay for training for the Sisters so they can better support the children and provide an all-round education. The completion of the works will allow more students to attend the school and provide a better teaching and learning environment. There are 282 children in the school, including 113 boarders.

6 Activities, performance and achievements in the year (continued)

Grants (continued)

The second grant, also for £21,500, is to fund a project at the St Joseph's school in Sundargarh. Due to cutbacks in local government support for education in the locality, the Sisters have had to take it upon themselves to help educate the children of the local tribal people. There are 251 children at the school (up from 247 last year) and the grant will allow the Sisters to maintain their education and keep developing the school, so it continues to meet the needs of the local people. The grant pays for the large costs at the school, that the Sisters in Rourkela cannot afford.

Several grants totalling £67,000 for projects in Cameroon were also awarded. These are for projects across the different parts of the country where the Sisters live and work. In recent years this activity has been severely restricted by civil war and terrorist groups, so the grants help to cover the costs of re-starting the work of the Sisters in Cameroon, building and maintaining the infrastructure (such as boundary walls and the solar panels on the college in Mayo Ouldeme) and supporting the development of the novice Sisters.

The £1m grant to Kolkata was part of an international, cross-Province project to help fund a large new hospital, built and operated by the Daughters of the Cross Sisters in Kolkata. The money sent by the English Province was to furnish and equip the new hospital building, and to purchase and install a new CT scanner.

Two grants totalling £2m were paid to St Elizabeth's Centre during the year. The first £1m grant was to assist with a short term funding and cash flow issue that arose from the closure of the adult home in 2022 and the subsequent inability to admit new college placements in 2023. The second £1m was to support the Centre in much-needed maintenance of the buildings and facilities, to assist with gaining future contracts with local authorities.

The Sisters also made grants and donations totalling £69,000 (2023 - £33,000) to projects in the UK and to emergency disaster relief appeals. These include £30,000 to the Little Sisters of the Poor, £20,000 to Living and Dying Well, £10,000 to Aid to the Church in Need for the Gaza/Israel appeal, £5,000 to the Medaille Trust, £2,000 to the Tablet's appeal, and £2,000 to Glass Door (a homeless charity). Other smaller donations totalling £450 were awarded to other organisations such as Housing Justice and the Cardinal Hume Centre.

7 Volunteers

The Sisters are Apostolic Religious volunteers and the whole of their lives is given to helping those in need.

The trustees and staff are very grateful to our volunteers, in whatever role they carry out, across the charity, who give freely and generously of their time and who bring enthusiasm and dedication. They make an enormous contribution to the lives of the beneficiaries and the success of the charity.

At Holy Cross Hospital volunteers make a significant contribution to the activities of the Hospital. They contribute to patients' quality of life by supporting social activities in the "Living Room" and outside in the wider community by helping with transport, outings, and fundraising through the Friends of Holy Cross Hospital.

8 Financial Review (including reserves)

Results

The Statement of Financial Activities shows an overall result of £51.7m surplus, which is made up of a £48.2m surplus in general funds, £3.5m surplus in designated funds and a £13,000 deficit in restricted funds.

The profit on sale of fixed assets of £49.7m make up the majority of the £51.7m surplus. Of this amount, the sale of the St Wilfrid's Convent land and buildings in Chelsea accounted for over £49m, with other, much smaller sales also occurring in the year.

Within the Province, overall spending on charitable activities was higher than the previous year, £8m compared to £5.9 in 2023. This increase of £2.1m is driven by two large items; a £1m grant to Sisters in Kolkata to assist the Daughters of the Cross in India with the creation of a new hospital, and a £809,000 impairment charge to adjust the valuation of several properties on a small plot of land that is in the process of being sold.

Spend on Province properties was again significant this year. However, stripping out the £809,000 fixed asset impairment, the spend of £1,000,000 is similar to the £964,000 in the previous year. Spend on the Sisters of £2,419,000 (2023: £2,412,000) is similar to last year.

Income within the Province totalled £53,145,000. Of this, £49,380,000 was due to a profit on sale of St Wilfrid's convent, Chelsea. Leaving aside this exceptional figure, income was up 16% from the previous year (£3.8m in 2024 compared with £3.2m in 2023), largely due to some one-off transactions. Regular income streams of Sisters income and investment income performed in line with the previous year.

Drilling down within investment income – which makes up 79% of regular income in the Province – the income from each of the three main portfolios was down compared to last year. This is predominantly due to withdrawing £2.65m from each of the portfolios in July 2023. Some of these funds were spent, while £5.1m was put into cash funds paying good rates of interest.

Holy Cross Hospital has worked hard over recent years to agree a level of fees with ICBs and Local Authorities that cover the full cost of providing the appropriate level of care for its patients, with NHS funding authorities awarding fee uplifts averaging almost 5% (up from 3.5% - 4% in the previous year). These uplifts helped to increase patient income by 15% (£1.1m) to £8.3m, and with costs rising by 11% (£0.9m), the Hospital has performed better than the prior year but still operating at a loss within its general funds even before charity-wide support costs are allocated).

Staff costs of £6.6m are 74% (2023 - £6.1 and 76%) of its running costs, which is not unusual in healthcare settings. The Hospital had income from Health and Local Authorities of £7.7m (2023 - £7m), £583,000 (2023 - £249,000) of income from private patients, and £321,000 of other income (2023 - £276,000). The total cost of running the Hospital before charity-wide support costs was £8.9m (2023 - £8m).

8 Financial Review (including reserves) (continued)

Results (continued)

During the year, the Hospital made changes to its investment portfolio, by selling £1.4m of its listed investments and moving the proceeds to a cash fund paying approximately 5% in interest. This was done to generate a higher level of income, in order to be able to cover the increased costs of running the hydrotherapy pool.

The trustees' and management's focus at the Hospital is to ensure a stable and improving financial operating model, so that it can continue to run successfully in the future.

Investment gains and losses

After the investment valuations decreased significantly last year (over £5m of losses seen across the whole investment portfolio), this year saw a good recovery in valuations, with all three of the main segregated portfolios recording gains, leading to an overall investment gain in the year of £7.4m. The charity's investments continue to be well-diversified, which is an important mitigation against the persistently volatile markets. The net result of withdrawing £7.95m from portfolios and this year's good performance, is that the portfolio value went from £105.8m in 2023, to £103.8m at the end of this year. The investments are further explained in the section on Investment performance.

The trustees are conscious of the requirement to balance the needs of present and future beneficiaries, especially the Sisters current needs versus the changing needs over the next 20-30 years. This means that each year they consider whether to increase the proportion of resources allocated to general and designated funds reserves or whether to invest more in areas such as fixed assets, staffing, and training to maintain, improve or develop services to beneficiaries.

The annual review of the charity's general funds reserves was conducted during the year. A further review of our designated funds has been deferred to 2024/25, due to the delay in selling the St Wilfrid's property, which only completed on the final day of the financial year.

The reserves policy seeks to align the level of reserves with the major risks faced and the potential financial effects should one or more of these risk events occur. Trustees acknowledge that given the volatile nature of external markets at present, it is possible that several risk events could happen at once, or that one event may trigger a series of challenges, and so it is prudent to set the reserves at a level that could withstand the full effects of the major risks.

The reserves policy states that £10.7m should be held as free reserves and that half of this figure should be held in cash, with the other half held in investment assets to mitigate inflation risks over the medium to long term. The £10.7m figure covers six areas where a financial risk event has been identified, as shown in the table below:

8 Financial Review (including reserves) (continued)***Reserves policy and funds***

No.	Component	Usage	Amount
1	Income risk reserve	Investment income fall	£2.5m
2	Income risk reserve	Pension income fall	£150k
3	Income risk reserve	Fee income fall	£3.3m
4	Adversity reserve	Adverse event (e.g. legal case)	£600k
5	Opportunity reserve	Fund new projects	£500k
6	Cessation reserve	Orderly winding-down	£3.6m
			£10.7m

The free reserves, which are funds that are neither restricted nor designated for a defined purpose, are represented on the balance sheet as the General Fund. Once its level is decided, trustees can consider the charity's other needs and what funds are available to be designated.

The General Fund (free reserves) at 31 March 2024 stood at £58.9m (2023 – £10.7m), which is not in line with the free reserves target of £10.7m.

This year-end, the charity had free reserves well in excess of the target set in the reserves policy. This is because of the sale of St Wilfrid's, Chelsea on the last working day of the financial year. This transaction created a profit on sale of over £49m, but because it was at the very end of the year, was not designated or spent at the balance sheet date.

Trustees are in the process of formulating plans for the charitable use of these additional funds. Because of the Daughters of the Cross General Chapter in May 2024 (which affects the Provinces of the Daughters of the Cross worldwide), and a change in trustees, the decision-making on these charitable activities began following the convening of the new leadership group within the Province from June 2024 onwards. Trustees will discuss and approve the new 3-year business plan, which will include a review of the unrestricted reserves during the 2024/25 financial year. Trustees will ensure that the charity returns to the target free reserve figure for 2025.

Restricted funds

Restricted funds of the charity relate to the surplus monies which have either been raised or given for, or their use restricted to, specific purposes or which comprise donations subject to donor-imposed conditions. At 31 March 2024 they amounted to £1.48m (2023 – £1.5m), of which £1.4m (2023 – £1.4m) was in respect of a legacy given for the benefit of Holy Cross Hospital. The legacy was partly used to build a Hydrotherapy Centre, with the remainder (the restricted fund) being invested so the income generated can fund the maintenance costs and keep the facility running.

8 Financial Review (including reserves) (continued)

Designated Funds

The fixed asset fund amounts to £28.8m (2023 – £33.5m) and relates to those funds invested in tangible fixed assets. Other designated funds are established out of general funds where there is a need to provide funding for a specific purpose. The funds include:

The Daughters of the Cross fund stands at £43m (2023 - £43m). The level in the Daughters of the Cross fund reflects the continued (and future) decrease in covenanted income of the Sisters. The cost of running the Communities has not materially decreased over recent years, despite the reduction in the number of Sisters. At present, Sisters – including the frail and elderly - live in community. Two communities have a staff team to provide care and other support to the Sisters who need it. While these costs are significant, the current arrangements allow for the Sisters to live and take part in religious community life within the convent. Were Sisters to be resident in a care home this would incur higher costs, and the Sisters would lose the spiritual connection of living in community.

The shortfall in covenanted income to meet the Sisters' living costs must be met from investment income. The current size of the fund that provides this income has been necessitated by the post-pandemic lower yields we have been experiencing within the investment portfolio since 2020. The income from Sisters pensions is considerably lower than the annual day-to-day living costs of the Sisters across all of our Communities. The shortfall is approximately £1m, and this can only be made up from income generated by the investment portfolio. Dividend yields fell during 2020 and have been slow to recover ever since, so, a substantial fund is still required to generate the required amount of income, given we are still seeing income yields of just over 2%, compared to 2.6% pre-2020. Work is planned for 2024/25 to review how the designated funds are used, including assessing whether the current model of only applying the income to pay for costs is appropriate for the future, or whether a combination of capital and income is a more effective model.

Provincialate fund of £33m (2023 – £34m). This fund has been established so that the income generated by the investment assets within it will meet the running costs of the charity's central core functions. This facility will be required for the foreseeable future as the Provincialate office has no source of income other than investment income. The fund has been increased to meet the growing costs the charity faces due to high inflation pushing up the cost of goods and services.

The £20m (2023 – £10.8m) Charitable Activities fund reflects the continuation of the stated objective to plan for the future of the current and former charitable Works so they can continue their much-needed work. This will involve improving their physical and digital infrastructure, and ensuring their services are compliant and fit for current and future purpose. The Works' finances are very marginal, particularly in the current climate of central government and local authority budget cuts. The fund is also in place to fund other long-term needs of the Sisters, such as ensuring appropriate housing and maintaining and enhancing existing properties.

8 Financial Review (including reserves) (continued)

Designated Funds (continued)

This fund is invested to underpin the wide needs of the Works and the charitable activities within the Province. The needs are connected with the objective of finding long-term secure futures for the Works, securing the value of the existing land and buildings within the Province, and the long-term accommodation and other needs of the Sisters. It is difficult at this time of great change, both internally and externally, to calculate the funds which may be required to secure those futures. Some of these funds have been utilised over the past three years, by building new dwellings for Sisters as well as significant refurbishment of existing buildings, as well as supporting one former Work with a grant of £2m during the year. The fund has been added to this year, as the recovery in the valuation of the investment portfolio has allowed the reduction in the previous year, to be reinstated and bring the fund back up to an amount that is able to fulfil its requirement.

Trustees will review the value of this designated fund in 2024/25, as they recognise the significant need to support the Works, whose financial and business models have been severely affected by recent economic conditions.

Worldwide fund of £7.9m (2023 – £8.0m). This fund is invested to produce annual income to meet charitable needs across the worldwide Congregation. The decrease represents the net position after accounting for the rise in investment valuations and the grants paid out during the year for projects in India, Nepal, and Cameroon.

St Raphael's Hospice fund of £2.7m (2023 – £2.7m). This fund was established at £6.3m following discussions between trustees and the senior management team at the Hospice. £3.6m was paid across to the Hospice upon separation, and the remaining £2.7m is being held as a contingency against the risks of delay, variances against inflation assumptions built into the new business model, and possible future volatility in legacy income. The fund will begin to be utilised again during the coming financial year.

The £106.8m other designated funds (i.e. not including the tangible fixed assets fund) are represented by fixed asset investments and cash deposits.

Overall

The overall position is that total funds have increased over the year by £51.7m (2023 – £9.9m decrease). This is mainly due to the £44.3m in-year surplus (driven by the profit on sale of St Wilfrid's) as well as the £7.4m increase in the value of the investment portfolio. At 31 March 2024 the charity had total funds of £196m (2023 – £144.2m).

9 Investments

Investment policy

The charity's investment objective is to preserve capital value in real terms and to achieve a growing level of income over time. The day-to-day operation of the portfolio is managed by three investment management firms, who must each operate in line with risk and other parameters set out in our investment policy statement. Their approaches and strategies are all different, which gives additional diversification and contributes to the management of the various risks involved in holding investment assets.

9 Investments (continued)

Investment policy (continued)

The charity has had a responsible investment policy for many years as the trustees believe that the practice of holding investments must be done in line with the Sisters' ethos, values, and spirituality. Inevitably this means that some investments cannot be held as they will be incompatible with the values of the Congregation and Catholic Social Teaching. The trustees are comfortable that the long-term total return on the investments is not negatively affected by the exclusionary screens that form part of the overall investment policy. The investment policy is reviewed every year by the trustees, in consultation with the Province's finance advisory committee.

The investment policy states that no charity funds are to be directly invested in companies which generate significant income from armaments, adult entertainment services, high interest lending, companies who breach modern slavery standards, or oil and gas companies that are not actively working towards meeting the goals of the 2015 Paris Agreement. Also excluded are companies which are involved in areas of activity contrary to the sanctity of life.

For certain areas of investment stewardship (for example the environment or corporate governance), the policy is to adopt an engagement approach, which means using the charity's position as a shareholder, through its investment managers, to encourage companies to adopt more ethical and socially responsible policies and procedures, such as meeting Net Zero commitments. The investment managers, either internally or by using external agencies, monitor the activities of those companies in which the charity is invested, and the results of that monitoring are reported on and considered by the committee at all investment meetings. Our managers are asked to either follow-up on issues that they are currently engaging on, or we ask them to start to engage with companies on other specific topics of environmental, governance or societal issues.

The charity's investment policy underwent review during the year, to ensure it remains fit for purpose and relevant to the present and future issues surrounding charity investments, particularly faith charities. There are various initiatives around faith-consistent investing and the role of catholic social teaching when selecting investments and the trustees are engaging with these at an early stage. These are longer-term processes and, while similar to "ESG" considerations, require deep thought on the interplay of faith and the financial system, so results will be seen over a period of years. During the year, the charity joined the Church Investors Group (CIG) for the first time. The CIG is a member network of Christian organisations that come together to promote ethical investment based on Christian principles. The trustees have also embraced the *Mensuram Bonam* document produced by the Pontifical Academy of Social Sciences in the Vatican and are working towards enhancing the responsible investment policy to better integrate faith-based principles.

As well as its segregated portfolios, the charity retains an investment in the BlackRock Catholic Charities Growth and Income Fund, a fund in which we have been invested in since it was founded in 2006. The fund is aimed specifically at Catholic charities and provides an opportunity to invest in a fund operated in line with Catholic principles.

9 Investments (continued)

Investment management, review and performance

The portfolios are invested for the long-term and comprise listed UK and overseas equities and bonds, with an exposure to commercial property and other alternative investments such as infrastructure funds. The investments comprise direct company holdings in both equities and bonds, together with pooled funds which are used by each of the managers to gain specific exposure and to manage risk. Income is withdrawn to meet central costs and the needs of the Sisters, and to fund the Worldwide Fund grants.

The portfolios have a significant exposure to global equity markets and the trustees therefore accept that there is likely to be considerable volatility in values. The strategic asset allocation of the overall portfolio, as well as the three individual portfolios, is continually monitored by trustees, in consultation with the investment managers and the Finance Advisory Committee (which includes all trustees and volunteer independent investment advisors). This group is satisfied that the movements in investment values and the various measures of investment risk were within acceptable parameters. The trustees and advisory committee will continue to carefully monitor the investment portfolio as markets and economic conditions remain volatile and it remains a challenge to ensure investment income meets spending requirements.

The overall result is that our investment portfolio reduced in value over the year, falling from £105.8m in April 2023 to £103.8m in March 2024.

However, the fall in overall value is due to the charity withdrawing £7.95m from the portfolio during July 2023, rather than because of poor performance. Some of the withdrawn amount has been kept in cash, while approximately £3m was required to meet spending commitments. Investment performance has produced positive growth over the financial year.

Each of the three investment managers' results are reviewed formally at meetings twice a year, where up to date reports are reviewed, performance against benchmarks is considered, and any issues concerning ethical investment or corporate governance are discussed. Composite benchmarks are arranged in consultation with each manager reflecting the agreed asset class allocations and using appropriate indices for each asset class. Where action is necessary this is agreed and the actions are monitored to ensure it was taken.

Actual performance against the benchmarks for the 12 months to 31 March 2024 for the three main segregated portfolios was as follows:

(Shown on a total return basis)	2024		2023	
	Actual %	Benchmark %	Actual %	Benchmark %
BlackRock	12.1	17.9	(3.50)	1.75
Sarasin	11.3	15.5	(4.20)	(2.40)
Evelyn Partners	7.7	13.5	(3.60)	(2.20)

9 Investments (continued)

Investment management, review and performance (continued)

The trustees continue to be satisfied with their investment managers' actions and performance over the past 12 months. All three recorded strong gains for the year in absolute terms, but all three were below the benchmark returns they are each measured against. This partly reflects the difficulty in matching the huge gains in the largest US tech firms and the concentration of returns in US indices from these companies, returns that we are unable to match in our portfolios given the risk tolerances applied to the charity's portfolios. The divergence that has developed between the portfolios and the global equities benchmark used to track performance over the past two years has made comparison difficult. However, the trustees are assured that the current benchmarks used remain the most appropriate at this time. Trustees use additional measure to review performance other than the primary benchmark (CPI, charity peer group indices) which ensures a rounded view on performance is taken by trustees and their advisors.

10 Fundraising

The charity is registered with the Fundraising Regulator and is committed to adhering to the Fundraising Code of Practice. There have been no adjudications and no significant failures to comply with those standards. The charity has detailed policies and procedures in place to ensure high standards are complied with and those procedures ensure that all fundraisers and those who work on the charity's behalf are aware of them.

During the year, there were no reported failures in compliance with the Fundraising Regulator and no fundraising complaints received (2023: none).

Holy Cross Hospital does not undertake fundraising activity itself, but it does benefit from the fundraising efforts of another charity, the League of Friends of Holy Cross Hospital. The Province does not undertake any direct fundraising with the public, nor use the services of a third-party organisation.

11 Risk management

The charity works with people who have complex needs and caring for them involves carrying out activities which entail inherent risk. Whilst actions can be taken to monitor, manage and mitigate risks, only a certain level of assurance can ever be obtained, and the trustees accept that there are some risks which are outside of the charity's direct control, and which cannot be mitigated. Trustees are nevertheless committed to maintaining highly developed risk management processes across the charity.

There are separate risk registers maintained at both Holy Cross Hospital and the Provincialate office. However, some risks carry across both parts of the charity; high inflation, increasing staff and non-staff costs, data protection and cyber risks are all features that need careful management. Data protection and cyber security have been a particular focus in recent years and trustees have policies and procedures in place to manage these business risks, as well as encouraging regular training to keep pace with the changing nature of these risks.

11 Risk management (continued)

At Holy Cross Hospital, the management team assesses risks on an ongoing basis, with a summary of the major risks being presented to the advisory committee for discussion and review. Risks are categorised under four main headings; clinical management; estates, facilities and supply; workforce; and governance. In respect of clinical management, the Hospital specialises in the care and treatment of vulnerable adults. Detailed attention is given to the clinical education and training of all clinical members of staff and patient feedback is actively sought. Where applicable, policy and practice are updated by reference to it. Infection prevention control is also a key part of the care and treatment of our patients.

Within the Provincialate office, the risk register is updated regularly and is reviewed by trustees at least once every year. Significant risks currently facing the Province include high inflation eroding the real value of investments and investment income, meaning income cannot keep pace with rising costs. Diversification across asset classes, sectors, geographies and currencies, as well as actively managing the asset allocation, are key ways of managing the various investment risks faced. Regular dialogue with our fund managers to ensure the investment agreements are robust, but flexible when required, and that any change in need or future plans is communicated well in advance so any changes can be well planned over time remains critical during a period of volatility.

The other significant risk is the 'key person' risk within the senior members of the Province. With the increasing age profile of the Province, there are fewer Sisters capable of taking on the leadership roles, both on the Council, at community houses, and as trustees. The leadership group within the Province is small in number, and the risk of ill health or any other reason for one or more of those Sisters suddenly being unable to fulfil their role presents difficulties for the remainder of the group, and indeed, all the Sisters and staff. Mitigation of this risk takes the form of sharing information with others, ensuring good record-keeping, continual dialogue between trustees, and supporting each other through the present challenges.

The charity maintains a good level of reserves and a robust set of insurance policies, which also ensure the charity is managing its risk exposures prudently.

12 Events since the year-end and future plans

There were no significant events since 31 March 2024.

Future plans for 2024/25 within the Province include:

- ◆ To participate in the General Chapter of the Congregation (May/June 2024)
- ◆ To review the range of charitable activities undertaken by the Province
- ◆ To carry out a review the designated funds
- ◆ To continue to fund the redevelopment projects at Holy Cross Hospital.
- ◆ To continue to review the future status of Holy Cross Hospital.
- ◆ To complete the separation work on the Haslemere site
- ◆ To complete the major building works in Cheam (Clarkes Avenue and 571 Gander Green Lane) and deal with other legacy property issues.

12 Events since the year-end and future plans (continued)

- ◆ To review the long-term plans for the Sisters' residences.

Future plans for Holy Cross Hospital include:

- ◆ Completion of building work to bring into use the two new patient rooms, refurbish the former convent building into a staff facility, and provide new office space and meeting rooms within the Hospital.
- ◆ Continue the work to introduce a new electronic patient record system.
- ◆ Digitisation of archive patient records.
- ◆ Introduce ultrasound scanning for physiotherapy outpatients.

Other matters

13 Public benefit

In many different locations both in the UK and overseas, Sisters have lived and worked to help the public - not only to advance Religion but to bring relief and improvement through education, healthcare, and social work and in whatever other ways were open to them. The charity continues in this spirit.

Holy Cross Hospital provides services which are not widely available within the NHS or elsewhere. Through the Worldwide fund grants, the Sisters fund projects such as new schools and educational resources in developing nations including Nepal, India and Cameroon. The various grants to other UK charities help those organisations to achieve their own charitable aims.

As required by the Charities Act 2011, the Charity Commission has issued guidance on the "public benefit requirement". The trustees have considered the guidance and have had regard to it when exercising any powers or duties to which the guidance is relevant. The trustees consider that many aspects of this report demonstrate the public benefit which the charity provides.

14 Safeguarding

In England, the charity works within the frameworks relating to the safeguarding of children and adults as expressed in the guidelines of the Roman Catholic Church, as issued by the Catholic Safeguarding Standards Agency and Religious Life Safeguarding Service. The charity is an affiliate member of both organisations. The charity has implemented robust policies and procedures to ensure everyone who interacts with the charity, particularly children and adults at risk, is supported in achieving their full potential in environments where they are protected from exploitation, abuse and any form of mistreatment. Where the charity works in Ireland, the same strong commitment to safeguarding good practice exists, in line with the country-specific guidelines and frameworks in place in Ireland.

15 The environment

The trustees are aware of the charity's social responsibility to protect the environment. The Works have conservation and waste programmes in place to reduce the consumption of energy and water, to reduce waste so that as little as possible goes to landfill and to recycle metals, chemicals, etc. wherever possible. Our St Mary's Convent uses solar panels to generate a high proportion of its electricity, as does the Hydrotherapy Centre in Holy Cross Hospital. Whenever significant work is carried out on any of the charity's properties, opportunities are taken to reduce energy consumption. EV charging points have been installed at Holy Cross Hospital and the infrastructure to install them on the Cheam site is in place. Solar panels have been placed on the new build properties built in Cheam.

The Congregation has for many years held investments in solar and wind power and other 'green' energy funds and regularly engages with our investment managers on climate change matters. The charity has complied with ESOS Phase 3 reporting in 2023/24 and will continue to report updates as required throughout the rest of the Phase 3 period.

16 Structure and governance

16.1 Legal structure

The charity is a charitable company limited by guarantee and its governing documents are its Memorandum and Articles of Association which set out the objects of the charity, the powers of its trustees and details of its general administration and governance.

In terms of Canon Law (which is the law of the worldwide Roman Catholic Church) the Congregation of the Daughters of the Cross of Liege is governed at an international level by the Superior General and her General Council (the Generalate). They are elected every six years at a meeting of elected representatives from around the world called a General Chapter. At the 2018 General Chapter a Superior General and four General Councillors were appointed for a six-year term. Two of the Councillors are Sister Mary MacLaughlin and Sister Maureen O'Brien, both of whom are Sisters of the English Province.

The English Province, which covers Communities in England and Ireland, is governed by the Provincial Superior (Sister Veronica Hagen until 31 May 2024, since 31 May 2024 Sister Kathleen O'Reilly) and her Provincial Council (Sister Annette Clemence (to 31 May 2024), Sister Kathleen O'Reilly, Sister Anne Kelly, and Sister Maureen O'Brien (from 31 May 2024)). The Provincial Bursar, Sister Mary Geraldine, is appointed by the Provincial Superior and this appointment continues until such time as a change is made. By reason of holding these offices, these five Sisters are the current trustees.

The Worldwide Congregation has Constitutions, approved in Rome, which governs how the Sisters should organise their affairs and live their lives. As well as the English Province, the Congregation has a presence in Belgium, Brazil, Cameroon, Germany, India, Italy, Nepal, and Pakistan.

The Superior General of the Worldwide Congregation and the Provincial Superior of the English Province of the Congregation are the only two members of the company.

16 Structure and governance (continued)

16.2 Governance and trustees

The Articles of Association provide that there shall be between three and ten trustees. The number will always include Sisters who are trustees by reason of their respective offices within the English Province of the Congregation. The trustees at 31 March 2024 and the changes since the year-end date are shown on pages 1 and 2. They have all lived and worked for many years within one or other of the charity's Works and all have personal experience of the services which the charity offers or has offered to the public.

The charity is unlike most charities in that the trustees devote, along with all the Sisters, their whole lives to the service of the charity and the people it serves. In normal circumstances, in living on the same sites as the Works, by meeting regularly and by visiting the Works and the Communities, the trustees oversee the smooth running of the charity. During the pandemic and subsequent constraints such as reduced access to buildings and beneficiaries, Sisters have had to adapt their oversight activities and stay connected in different ways. New ways of communicating with the lay associates, the employees, the beneficiaries, the volunteers, and all those connected in any way with the charity have also been crucial over the past two years.

The trustees meet six times during the year. Additional meetings are held as circumstances dictate to deal with time-sensitive issues such as changes to bank mandates, leases, etc.

Opportunities are taken to develop and enhance trustees' knowledge and expertise, and during the year they have attended various online conferences, seminars and training sessions on safeguarding, data protection, visas and UK Border Agency, risk and reserves, public benefit, financial governance and general trustee responsibilities.

Trustees reviewed the investment policy, governance arrangements, and refreshed their Essential Trustee knowledge. In particular, trustees have attended an in-depth seminar series held by the Religious Life Safeguarding Service (RLSS) looking at safeguarding issues in the Catholic Church.

The Provincial Superior is the voting member of the Conference of Religious in England and Wales to which all Sisters belong, and the Provincial Bursar is a member of the Association of Provincial Bursars. Through these and other such memberships, through attending seminars and conferences, and through newsletters from their advisers and others, trustees keep themselves up to date with changes within Religious Communities and with relevant changing legislation and regulation.

The trustees are aware that regardless of their experience in running the current and former Works of the charity, the environment in which the charity operates continues to evolve and develop, and they do not necessarily possess the full range of business skills required to govern effectively a substantial modern and up to date charity. For this reason, professional advice is extensively sought and relied upon, particularly in the areas of law, finance, accounting, property and investment. The trustees also benefit from the advice of the English Province Finance Advisory Committee, particularly on investments.

16 Structure and governance (continued)

16.2 Governance and trustees (continued)

The trustees have adopted the Charity Governance Code and continue to review governance arrangements against the code. Trustees also keep up to date with guidance and updates issued by the Charity Commission. The charity is also registered as a charity in Ireland and reports against the Charities Regulator's governance code, with progress reported at least annually at trustee meetings.

The charity has purchased insurance to protect it from any loss arising from the neglect or defaults of its trustees and officers and to indemnify them against the consequences of any neglect or default on their part. The policy provides cover for up to a maximum of £5,000,000. The charity has also purchased a terrorism and sabotage insurance policy to cover property damage and business interruption at its Central London site.

17 Management

17.1 The Provincial Superior

The day-to-day activities of the charitable company are the responsibility of the Provincial Superior, who delegates the management to the key management posts in the Province and the Hospital. She speaks to and visits Sisters in their Communities regularly to assist with the many issues arising, e.g. the apostolic work, the Sisters' welfare, property issues and relations/negotiations with others in the local community. She attends regular meetings, discussing operational challenges and opportunities and identifies those decisions which require trustee discussion or approval.

17.2 The Communities

At the end of the year, there are now three Communities, two in the UK and one in Ireland.

Each Community has a Sister Superior who has the responsibility for the day-to-day running of the Community. The Sister Superiors are recommended for appointment by the Provincial Superior, then ratified by the Superior General.

17.3 Holy Cross Hospital

At the Hospital, the Provincial Superior appoints a management team. The Sister Superior at our Haslemere Community attends management team meetings. The Superior, currently Sister Kathleen O'Reilly, is also a trustee and acts as a conduit between the management team and the board of trustees.

The Hospital is supported by an Advisory Committee. The members of the Advisory Committees are appointed by the Provincial Superior in consultation with the relevant Sister Superior and the trustees. The Provincial Superior and the Sister Superior are ex-officio members of the committee. The membership therefore comprises trustees, Sisters, and lay people with an expertise in the work or with a relevant specialism. The Advisory Committees' purpose is to advise the Provincial Superior, the Sister Superior and the management team.

17 Management (continued)

17.3 Holy Cross Hospital (continued)

The management structure described above allows the management team to run the Hospital within the ethos, framework and strategy set by the trustees. It also allows important issues to be brought to the attention of trustees, enabling them to make the key decisions affecting strategy, policies, the facilities and services provided, and the service quality and delivery. This structure also enables the trustees to inform management of their current thinking and the reasoning for decisions.

17.4 Employees

The charity has always been and remains committed to opposing discrimination in its many forms and strives to be an inclusive employer. To further this commitment, the management teams throughout the charity ensure that recruitment and selection policies avoid direct or indirect discrimination and comply with all relevant legislation. The aim is to ensure that all employees are aware of and understand the charity's equal opportunities policies and are familiar with the legal framework. One exception to this is the post of Chief Executive Officer at Holy Cross Hospital, where the post-holder will ideally be a practising Catholic or, if not, a practising Christian.

17.5 Key management personnel

The trustees are key management personnel although they are not remunerated. Other key management personnel are the senior officer (CEO) at Holy Cross Hospital (who has delegated authority to run the Hospital in line with the agreed strategy and within the ethos of The Daughters of the Cross) and the finance manager in the Provincialate Office.

Their pay and remuneration are set by the Provincial Superior with regard to the pay structure in the relevant part of the organisation, in consultation with trustees and appropriate members of the Advisory Committee and with regard to the external market.

18 Related parties

18.1 The Sisters

The Sisters of the Congregation covenant their pension and other income to the charity. They are also beneficiaries of the charity in that the costs of their welfare and activities are met by it. The trustees, including the Provincial Superior and the Provincial Bursar, are all Sisters and no trustee is remunerated for their services. No trustee had any beneficial interest in any contract with the charity.

18.2 Congregation of the Daughters of the Cross International

The International charity is the legal entity, based in England, for the Superior General and her Council (The Generalate). The Daughters of the Cross International is a grantmaking charity (no. 1142490), whose main activities are funding the Generalate in Rome and supporting other Congregation work and Provinces around the world. One trustee, Sister Maureen O'Brien, is also a trustee of this charity. Another of our Sisters, Mary McLaughlin, is also a trustee of the Daughters of the Cross International.

18 Related parties (continued)

18.3 Worldwide Congregation

The charity and the Sisters are part of the Worldwide Congregation of the Daughters of the Cross of Liege. The worldwide Congregation includes Sisters being present in ten countries (UK, Belgium, Brazil, Cameroon, Germany, India, Ireland, Italy, Nepal, Pakistan).

Grants are made to Provinces of the Congregation around the world so that the charitable objects can be fulfilled outside the UK.

18.4 St Elizabeth's Centre

Two trustees of this charity are also trustees of St Elizabeth's Centre; Sister Veronica Hagen and Sister Josephine Clemence. Another of our Sisters, Sister Patricia Ainsworth, is also a trustee at St Elizabeth's.

18.5 St Raphael's Hospice

Two trustees of this charity; Sister Veronica Hagen and Sister Kathleen O'Reilly are trustees of St Raphael's Hospice. In 2020, the charity and the Hospice entered into three 20-year lease agreements for the Hospice building, the 759 London Road office, and St Bede's conference centre. All three leases have a nominal rent of £100 per annum.

19 Statement of trustees' responsibilities

The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law 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 charitable company and of the income and expenditure of the charitable company 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 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 United Kingdom and Republic of Ireland (FRS 102).
- ◆ make judgements and estimates that are reasonable and prudent.
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

19 Statement of trustees' responsibilities (continued)

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees confirms that:

- ◆ so far as she is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- ◆ she has taken all the steps that she ought to have taken as a trustee in order to make herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

This Trustees' Report, including the Strategic Report contained therein, has been approved by the trustees at a meeting on 14 November 2024 and it is signed on their behalf by:

Sister Kathleen O'Reilly

Sister Kathleen O'Reilly
Trustee

Registration details and principal advisers

Registration details

The Congregation of the Daughters of the Cross of Liege is a charitable company limited by guarantee incorporated in England and Wales and that is its registered name. Registration details are:

- ◆ Charity Registration Number: 1068661
- ◆ Company Registration Number: 3492921
- ◆ Registered Office and Principal Office address: Joseph's Convent, 801 London Road, North Cheam. Surrey. SM3 9AT

Principal advisers

Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Investment managers	BlackRock Investment Management (UK) Limited 12 Throgmorton Avenue London EC2N 2DL Sarasin & Partners LLP Juxon House, 100 St Paul's Churchyard London EC4M 8BU Evelyn Partners 45 Gresham Street London EC2V 7BG
Bankers	The Royal Bank of Scotland plc 250 Bishopsgate London EC2M 4AA
Solicitors	Farrer & Co LLP 66 Lincoln's Inn Fields London WC2A 3LH Mullany Walsh Maxwell 19 Herbert Place Dublin 2 D02 NY72 Ireland

Independent auditor's report to the members of The Congregation of the Daughters of the Cross of Liege

Opinion

We have audited the financial statements of Congregation of the Daughters of the Cross of Liege (the 'charitable company') for the year ended 31 March 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 charitable company's affairs as at 31 March 2024 and of 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council'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 charitable company'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 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.

Other information (continued)

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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- ◆ the information given in the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

- ◆ the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- ◆ sufficient accounting records have not been kept; or
- ◆ the 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, the Trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

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 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:

- ◆ making enquiries of management and representatives of those charged with governance as to their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any or unusual or unexpected relationships:
- ◆ performed substantive testing of expenditure including authorization thereof; and
- ◆ tested journal entries to identify unusual transactions.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP

20 December 2024

Edward Finch (Senior Statutory Auditor)

For and on behalf of Buzzacott LLP, Statutory Auditor

130 Wood Street

London

EC2V 6DL

Statement of financial activities (incorporating income and expenditure account)
Year to 31 March 2024

	Notes	Unrestricted funds			Total funds 2024 £'000	Total funds 2023 £'000
		General funds £'000	Designated funds £'000	Restricted funds £'000		
Income from:						
Charitable activities	1	8,326	—	—	8,326	7,238
Investments	2	2,704	—	—	2,704	2,702
Donations and legacies	3	694	—	29	723	698
Other income	4	50,038	—	1	50,039	114
Total income		61,762	—	30	61,792	10,752
Expenditure on:						
Raising funds	5	551	—	—	551	814
Charitable activities						
Support of members of the Congregation and their ministry	6	4,602	—	—	4,602	3,674
Running Holy Cross Hospital		9,062	—	33	9,095	8,000
Grants and donations		3,222	—	—	3,222	1,951
Other expenditure		33	—	—	33	—
		16,919	—	33	16,952	13,625
Total expenditure		17,470	—	33	17,503	14,439
Net income (expenditure) before net gains (losses) on investments						
Net gains (losses) on investments	12	44,292	—	(3)	44,289	(3,687)
		7,428	—	(10)	7,418	(6,192)
Net income (expenditure)		51,720	—	(13)	51,707	(9,879)
Transfers between funds		(3,519)	3,519	—	—	—
Net movement in funds		48,201	3,519	(13)	51,707	(9,879)
Reconciliation of funds:						
Total funds brought forward at 1 April 2023		10,699	132,054	1,491	144,244	154,123
Total funds carried forward at 31 March 2024		58,900	135,573	1,478	195,951	144,244

The statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 37 to 53 form part of these financial statements.

Statement of financial activities (incorporating income and expenditure account)
Year to 31 March 2023

	Notes	Unrestricted funds		Restricted funds	Total funds 2023
		General fund	Designated funds		
		£'000	£'000	£'000	£'000
<i>Income and expenditure account</i>					
<i>Income from:</i>					
<i>Charitable activities</i>		7,238	—	—	7,238
<i>Investments</i>		2,702	—	—	2,702
<i>Donations and legacies</i>		672	—	26	698
<i>Other income</i>		110	—	4	114
<i>Total income</i>		<u>10,722</u>	<u>—</u>	<u>30</u>	<u>10,752</u>
<i>Expenditure on:</i>					
<i>Raising funds</i>		<u>814</u>	<u>—</u>	<u>—</u>	<u>814</u>
<i>Charitable activities</i>					
<i>Support of members of the Congregation and their ministry</i>		3,674	—	—	3,674
<i>Running Holy Cross Hospital</i>		7,969	—	31	8,000
<i>Grants and donations</i>		1,951	—	—	1,951
		<u>13,594</u>	<u>—</u>	<u>31</u>	<u>13,625</u>
<i>Total expenditure</i>		<u>14,408</u>	<u>—</u>	<u>31</u>	<u>14,439</u>
<i>Net (expenditure) income before investment gains and transfers</i>		(3,686)	—	(1)	(3,687)
<i>Net gains on investments</i>		(6,111)	—	(81)	(6,192)
<i>Net income</i>	3	<u>(9,797)</u>	<u>—</u>	<u>(82)</u>	<u>(9,879)</u>
<i>Transfers between funds</i>		10,956	(10,956)	—	—
<i>Net movement in funds</i>		<u>1,159</u>	<u>(10,956)</u>	<u>(82)</u>	<u>(9,879)</u>
<i>Reconciliation of funds:</i>					
<i>Total funds brought forward at 1 April 2022</i>		<u>9,540</u>	<u>143,010</u>	<u>1,573</u>	<u>154,123</u>
<i>Total funds carried forward at 31 March 2023</i>		<u>10,699</u>	<u>132,054</u>	<u>1,491</u>	<u>144,244</u>

Balance sheet 31 March 2024

	Notes	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Fixed assets					
Tangible assets	10		28,783		33,537
Investments	12		103,765		105,780
Investment property	11		540		510
			133,088		139,827
Current assets					
Debtors	13	806		525	
Cash at bank and in hand		64,404		5,484	
		65,210		6,009	
Creditors: amounts falling due within one year	14	(2,176)		(1,416)	
Net current assets			63,034		4,593
Total assets less current liabilities					
			196,122		144,420
Provisions for liabilities	15		(171)		(176)
Total net assets			195,951		144,244
The funds of the charity:					
Restricted funds	16		1,478		1,491
Unrestricted funds					
. Fixed assets fund	16	28,776		33,524	
. Other	16	106,797		98,530	
		135,573		132,054	
. General fund	16	58,900		10,699	
Total unrestricted funds	16		194,473		142,753
Total charity funds			195,951		144,244

Approved by the trustees of The Congregation of the Daughters of the Cross of Liege, Company Registration Number 03492921 (England and Wales), and signed on their behalf by:

The notes on pages 37 to 53 form part of these financial statements.

Sister Kathleen O'Reilly

Sister Mary McGinn

Sister Kathleen O'Reilly

Sister Mary McGinn

Date of approval: 14 November 2024

Statement of cash flows 31 March 2024

	Notes	2024 £'000	2023 £'000
Cash flows from operating activities	A		
Net cash used in operating activities		(6,066)	(5,636)
Cash flows from investing activities			
Dividends, interests and rents from investments		2,705	2,702
Proceeds from the sale of tangible fixed assets		54,519	13
Purchase of tangible fixed assets		(1,626)	(1,578)
Proceeds from sale of investments		50,650	63,360
Purchase of investments		(42,929)	(60,627)
Decrease in cash held by investment manager		1,643	(1,873)
Other movements		24	(641)
Net cash provided by investing activities		64,986	1,356
Change in cash and cash equivalents		58,920	(4,280)
Cash and cash equivalents at 1 April 2023		5,484	9,764
Cash and cash equivalents at 31 March 2024	B, C	64,404	5,484

The notes on pages 37 to 53 form part of these financial statements.

A. Reconciliation of net expenditure to net cash flow used in operating activities

	2024 £'000	2023 £'000
Net (expenditure) income (as per statement of financial activities)	51,707	(9,879)
Adjustments for:		
Depreciation charge	977	969
Fixed asset impairment charge	809	—
Losses (gains) on investments	(7,388)	6,224
Loss on the sale of fixed assets	(49,926)	35
(Increase) decrease in debtors	(281)	(19)
Increase (decrease) in creditors	775	24
(Decrease) increase in provision	(5)	8
Gains on investment property	(30)	(32)
Investment income	(2,704)	(2,702)
Donated fixed assets	—	(264)
	(6,066)	(5,636)

B. Analysis of cash and cash equivalents

	2024 £'000	2023 £'000
Total cash and cash equivalents – cash	64,404	5,484

C. Analysis of changes in net debt

	At 1 April 2023 £'000	Cash flows £'000	At 31 March 2024 £'000
Cash at bank and in hand	5,484	58,920	64,404

1 Income from charitable activities

	Unrestricted funds 2024 £'000	Total funds 2024 £'000
Fees and charges – Privately-funded	583	583
Fees and charges – Publicly-funded	7,743	7,743
	8,326	8,326
	<i>Unrestricted funds 2023 £'000</i>	<i>Total funds 2023 £'000</i>
<i>Fees and charges – Privately-funded</i>	249	249
<i>Fees and charges – Publicly-funded</i>	6,989	6,989
	7,238	7,238

2 Investment income

	Unrestricted funds 2024 £'000	Total funds 2024 £'000
UK investments	1,747	1,747
Overseas investments	618	618
Interest receivable	339	339
	2,704	2,704
	<i>Unrestricted funds 2023 £'000</i>	<i>Total funds 2023 £'000</i>
<i>UK investments</i>	2,023	2,023
<i>Overseas investments</i>	591	591
<i>Interest receivable</i>	88	88
	2,702	2,702

3 Income from donations and legacies

	Unrestricted funds 2024 £'000	Restricted funds 2024 £'000	Total funds 2024 £'000
Donations			
Donations	19	29	48
Covenanted income from Sisters of the Congregation – pensions and other income	666	—	666
Legacies	9	—	9
	694	29	723

	<i>Unrestricted funds 2023 £'000</i>	<i>Restricted funds 2023 £'000</i>	<i>Total funds 2023 £'000</i>
<i>Donations</i>			
<i>Donations</i>	26	20	46
<i>Covenanted income from Sisters of the Congregation – pensions and other income</i>	629	—	629
<i>Legacies</i>	17	6	23
	672	26	698

4 Other incoming resources

	Unrestricted funds 2024 £'000	Restricted funds 2024 £'000	Total funds 2024 £'000
Sale of fixed assets:			
Property – St Wilfrid's	49,380	—	49,380
Property – other	283	—	283
Motor vehicles	7	—	7
	49,670	—	49,670
Property	83	—	83
Other income	285	1	286
	50,038	1	50,039

	<i>Unrestricted funds 2023 £'000</i>	<i>Restricted funds 2023 £'000</i>	<i>Total funds 2023 £'000</i>
<i>Sale of fixed assets</i>			
<i>Property</i>	13	—	13
<i>Other income</i>	86	—	86
	11	4	15
	110	4	114

5 Expenditure on raising funds

	Unrestricted funds 2024 £'000	Total funds 2024 £'000
Investment management costs	353	353
Support costs	198	198
	551	551
	<i>Unrestricted funds 2023 £'000</i>	<i>Total funds 2023 £'000</i>
<i>Investment management costs</i>	<i>542</i>	<i>542</i>
<i>Support costs</i>	<i>272</i>	<i>272</i>
	814	814

6 Analysis of expenditure on charitable activities

Summary by expenditure type

	Staff costs 2024 £'000	Non-staff costs 2024 £'000	Support costs 2024 £'000	Total 2024 £'000
Support of Members	880	3,083	672	4,635
Holy Cross Hospital	6,370	2,419	306	9,095
Grants and Donations	—	3,222	—	3,222
	7,250	8,724	979	16,952

	<i>Staff costs 2023 £'000</i>	<i>Non-staff costs 2023 £'000</i>	<i>Support costs 2023 £'000</i>	<i>Total 2023 £'000</i>
<i>Support of Members</i>	<i>977</i>	<i>1,366</i>	<i>1,331</i>	<i>3,674</i>
<i>Holy Cross Hospital</i>	<i>5,846</i>	<i>2,034</i>	<i>120</i>	<i>8,000</i>
<i>Grants and Donations</i>	<i>—</i>	<i>1,951</i>	<i>—</i>	<i>1,951</i>
	6,823	5,351	1,451	13,625

Net (expenditure) income for the year is stated after charging (crediting):

	2024 £'000	2023 £'000
Depreciation	977	969
Surplus on sale of tangible fixed assets	(49,670)	(13)
Gain on investment property	(30)	(32)
Auditors' total remuneration	106	98
Grants and donations	3,222	1,951

Of the grants and donations paid, £2m was to St Elizabeth's Centre (2023 - £1.75m) and £1.1m was to the Worldwide Congregation (2023 - £165,000).

7 Support costs

	Governance 2024 £'000	Other 2024 £'000	2024 £'000
Staff costs	38	179	217
Professional fees	153	333	486
Property costs	—	249	249
Other costs	109	115	224
Total support costs	300	876	1,176
	<i>Governance 2023 £'000</i>	<i>Other 2023 £'000</i>	<i>2023 £'000</i>
<i>Staff costs</i>	<i>34</i>	<i>221</i>	<i>255</i>
<i>Professional fees</i>	<i>112</i>	<i>697</i>	<i>809</i>
<i>Property costs</i>	<i>—</i>	<i>219</i>	<i>219</i>
<i>Other costs</i>	<i>78</i>	<i>362</i>	<i>440</i>
Total support costs	224	1,499	1,723
		2024 £'000	2023 £'000
Attributed to the following activities:			
. Raising funds (note 5)		198	272
. Charitable activities (note 6)		979	1,451
		1,176	1,723

All costs relating to a particular activity are treated as costs of that activity. Support costs, which include governance costs, are the central costs incurred predominantly within the Province which supports the charity's activities and deals with its governance arrangements. Where costs specifically relate to an activity, they are allocated to that activity. General support costs are allocated to the activities on the basis of the cost and time spent on each of them.

The trustees are Sisters of the Congregation and are not remunerated for their work as trustees. The governance of the charity is dealt with by the trustees acting, where appropriate, after considering the advice of their professional advisers and with the assistance of the Senior Management Teams.

Trustees are, as are all Sisters, beneficiaries of and donors to, the charity and the charity meets the costs of their ministry and welfare. In the case of trustees, their costs include expenses incurred when they are fulfilling their trustee duties for which an allocation of costs is made.

Professional fees include payments to the charity's external auditors for audit fees of £57,000 (2023 – £49,000), which are included in Governance. Fees paid to the charity's auditor for other services, which all relate to taxation, governance, payroll services, and general financial advice and are included in support costs, amount to £49,000 (2023 – £49,000). The total amount paid to the auditors was £106,000 (2023 – £98,000).

8 Staff costs

	2024 £'000	2023 £'000
Wages and salaries	6,179	5,846
Social security costs	680	681
Contribution to defined contribution pension schemes	194	177
	7,053	6,704
Agency costs	413	213
Termination payments	—	158
Other staff costs	1	262
	7,467	7,337

The average number of persons employed by the charity during the year was as follows:

	2024 No.	2023 No.
Full time equivalent numbers of staff	165	169

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2024 No.	2023 No.
In the band £60,001 - £70,000	7	9
In the band £70,001 - £80,000	4	3
In the band £80,001 - £90,000	—	3
In the band £90,001 - £100,000	2	—

Details of the pension contributions for those earning £60,000 per annum or more are shown below:

	2024		2023	
	Number	£'000	Number	£'000
Defined contribution schemes	13	27	15	37

The trustees are key management personnel of the charity; they are not remunerated as trustees but they are beneficiaries of the charity in that their welfare and work is funded by it. The cost of the support of all Sisters is disclosed elsewhere.

The Senior Officer at Holy Cross Hospital has delegated authority to run the Work in line with the agreed strategy and within the ethos and charism of The Daughters of the Cross. They are therefore also regarded as key management personnel, along with the Provinciate Finance Manager. The total employee benefits of this group, including pension contributions amounted to £186,221 (2023 – £122,051), which together with National Insurance Contributions of £21,508 (2023 – £15,147) brings the total cost of employment of key management personnel to £207,729 (2023 – £137,198).

9 Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2023 – £nil).

During the year ended 31 March 2024, no trustee expenses have been incurred (2023 – £nil).

10 Tangible fixed assets

	Freehold & leasehold land and buildings £'000	Assets in course of construction £'000	Medical Computer and office equipment £'000	Motor vehicles £'000	Total £'000
Cost or valuation					
At 1 April 2023	37,229	1,396	4,547	156	43,328
Additions	528	974	107	17	1,626
Disposals	(6,300)	—	(72)	(18)	(6,390)
At 31 March 2024	<u>31,457</u>	<u>2,370</u>	<u>4,582</u>	<u>155</u>	<u>38,564</u>
Depreciation					
At 1 April 2023	6,440	—	3,235	116	9,791
Charge for the year	772	—	182	23	977
Impairment	809	—	—	—	—
On disposals	(1,710)	—	(68)	(18)	(1,796)
At 31 March 2024	<u>6,311</u>	<u>—</u>	<u>3,349</u>	<u>121</u>	<u>9,781</u>
Net book value					
At 31 March 2024	<u>25,146</u>	<u>2,370</u>	<u>1,232</u>	<u>34</u>	<u>28,783</u>
At 31 March 2023	<u>30,789</u>	<u>1,396</u>	<u>1,312</u>	<u>40</u>	<u>33,537</u>

Included within freehold land and buildings are amounts for land a deemed cost of £6.94m (2023 – £10.0m) which has not been depreciated.

The impairment charge of £809,000 is made against the seven properties on the Province's retained land in Much Hadham. At the balance sheet date, these properties were due for demolition prior to the sale of the land they were built on, so their values were written down to zero.

Under the transitional arrangements set out in FRS 102, the charity elected to treat property valuations prior to 1 April 2014 as their deemed cost at that date. Valuations were performed by a qualified external valuer, in accordance with the requirements of the RICS Valuation Standards and FRS 102. Subsequent additions are stated at cost.

11 Investment property

	Freehold investment property £'000
Valuation	
At 1 April 2023	510
Surplus on revaluation	30
At 31 March 2024	540

The values of investment properties are wholly based on valuations by independent valuers. This year, a full valuation report was carried out by chartered surveyors, Weldon Beesly LLP, to determine the market value of the freehold agricultural grazing land in Much Hadham, Hertfordshire.

The land leased to the operator of the transmission mast in Haslemere was valued (on a market value basis) in 2023.

12 Fixed asset investments

	2024 £'000	2023 £'000
Market value at 1 April	105,780	112,223
Additions at cost	42,929	63,630
Sale proceeds	(52,091)	(60,627)
Investment gains (losses)	5,146	(13,113)
Investment cash	2,001	3,667
Market value at 31 March	103,765	105,780

Historical cost of investments at 31 March 2024 £84.6m (2023 – £93.9m).

Gains and losses on investments recognised in the statement of financial activities are made up as follows:

	2024 £'000	2023 £'000
Gains (losses) on investments	7,405	(5,633)
Investment gains allocated to others	—	81
Other movements	13	(640)
Gains (losses) on investments per SOFA	7,418	(6,192)

	2024 £'000	2023 £'000
Listed investments		
. Pooled funds	32,738	36,547
. Other	68,743	64,991
Unlisted shares		
. Pooled funds	15	17
. Other	268	558
Cash held for reinvestment	2,001	3,667
	103,765	105,780

13 Debtors

Due within one year	2024 £'000	2023 £'000
Trade debtors	598	338
Other debtors	32	17
Prepayments and accrued income	176	170
	806	525

14 Creditors: Amounts falling due within one year

	2024 £'000	2023 £'000
Trade creditors	837	166
Other taxation and social security	166	137
Other creditors	767	554
Accruals and deferred income	406	559
	2,176	1,416

15 Provisions

	£'000
At 1 April 2023	176
Movement in year	(6)
	171

The provision for compensation is an amount set aside, originally to meet the charity's potential contribution to the Residential Institutions Redress Board (RIRB) established in Ireland to make compensation awards to people who, as children, were abused while resident in schools and other institutions subject to state regulation or inspection, as well as High Court claims that did not meet the criteria for claiming through RIRB.

The Redress scheme is now closed for applications, so the provision is held to meet any claims made through the High Court. A review carried out in 2021 in conjunction with our legal advisors in Ireland set the provision at €200,000. The change during the year is due to exchange rate movements.

16 Statement of funds

Current year	Balance at 1 April 2023 £'000	Income £'000	Expenditure £'000	Transfers in/out £'000	Gains (losses) £'000	Balance at 31 March 2024 £'000
Unrestricted funds						
Designated funds						
Fixed asset fund	33,524	—	—	(4,748)	—	28,776
Daughters of the Cross fund	43,000	—	—	—	—	43,000
Charitable activities fund	10,798	—	—	9,402	—	20,200
Provincialate fund	34,000	—	—	(1,000)	—	33,000
St Raphael's Hospice fund	2,700	—	—	—	—	2,700
Worldwide fund	8,032	—	—	(135)	—	7,897
	132,054	—	—	3,518	—	135,573
General funds						
General funds – all funds	10,699	61,762	(17,470)	(3,518)	7,428	58,900
	142,753	61,762	(17,470)	—	7,428	194,473
Restricted funds						
Hydrotherapy centre	1,442	—	—	—	(10)	1,432
Amenities fund	49	30	(33)	—	—	46
	1,491	30	(33)	—	(10)	1,478
	144,244	61,792	(17,503)	—	7,418	195,951

The designated funds have been set aside for specific purposes by the trustees out of unrestricted funds, although they may ultimately use such funds for other purposes. It is a policy that income and expenditure either relates to restricted or unrestricted general funds, thus there is no income or expenditure on designated funds. Designated funds are determined by trustees at the end of the year and the increases or decreases are reflected as transfers from unrestricted general funds.

◆ **Fixed asset fund**

The tangible fixed assets, of which property forms the major part, are of fundamental importance to the charity and without them the charity would be unable to fulfil any of its charitable objectives. The value of the assets is therefore not readily realisable and, to reflect that, their net book value has been established as a designated fund.

◆ **Daughters of the Cross fund**

This fund is established to ensure the care and support needs of the Sisters is sufficiently met over the course of their lives. The Sisters have carried out the charitable activities of the charity over many decades, so it is essential, as part of the charity's mission, that these Sisters are cared for both during and after they carry out their ministries. The fund is invested for the long-term with the current intention that only the income is spent. This income meets the shortfall of the Sisters' covenanted income over the costs of their welfare, their apostolic activities and the costs of the care of the frail and elderly members. The fund value remains the same as last year, at £43m. The calculation is based upon expected investment income yields in the current economic conditions. The £43m fund allows for sufficient income to be generated to meet the shortfall between

16 Statement of funds (continued)

Sisters' income and expenditure. In due course, as the number of UK Sisters declines, investment returns may be able to be used to support the former Works and to support the work and welfare of Sisters in the other Provinces around the world.

◆ Charitable activities fund

This fund has been established to help secure the future needs of the charity's current and former Works' and the long-term accommodation and other needs of the Sisters (separate from the day-to-day living costs planned for in the Daughters of the Cross designated fund described above) and is represented by fixed asset investments. The funds are expected to be utilised in the medium to long-term to secure the Works' futures, however some commitments have a much shorter time horizon and so the proportion of the fund held in cash deposits is available for commitments in the coming 12-24 months.

◆ Provincialate fund

The Provincialate office of the charity incurs running costs each year, which are met from investment income. For the foreseeable future the office will be required to support the Sisters and to be the central administration function of the whole charity. In order to meet these ongoing running costs, this fund has been established to provide the necessary income. The fund remains at the same level as the previous year. To cover the full cost of the central office functions with the income generated by the investments, a much bigger fund would need to be created.

◆ St Raphael's Hospice fund

The St Raphael's Hospice fund was set up with a total of £6.3m which included the £3.6m that was paid to the Hospice upon separation in 2020. The remaining £2.7m balance as at 31 March 2023 may be utilised by the Hospice in response to funding needs during a period of significant transition.

◆ Worldwide fund

This fund is to provide grants to enhance or develop the work of the Worldwide Congregation, as agreed with the Superior General and her Council. The fund is made up of investment assets and distributes 85% of its net income as grants to overseas Provinces of the Worldwide Congregation. The fund is to be held in the long-term to provide ongoing support to developing the Sisters' work around the world.

Restricted funds

◆ Hydrotherapy centre

This represents part of a legacy which had to be used at Holy Cross Hospital and is therefore restricted. The legacy was partly used to build a hydrotherapy facility and these were released to unrestricted funds. The remainder (being the restricted fund) was invested to generate an income to help meet the running costs of the facility.

◆ Amenities fund

This fund represents monies donated to support patients and staff activities, and patient amenities. The fund supports the running of the ambulances used to transport patients, and the cost of social activities and outings for patients. This includes the costs associated with the off-site cottage in Selsey that is used by patients as part of their care.

17 Analysis of net assets between funds

	General Funds 2024 £'000	Designated funds 2024 £'000	Restricted funds 2024 £'000	Total funds 2024 £'000
Tangible fixed assets	—	28,776	—	28,776
Fixed asset investments	3,969	100,336	—	104,305
Net current assets	55,102	6,461	1,478	63,041
Provisions for liabilities and charges	(171)	—	—	(171)
	58,900	135,573	1,478	195,951

18 Related party transactions

Sisters

The Sisters of the Congregation are beneficiaries of the charity, in that the costs of their ministry and welfare are met by the charity. The trustees are all Sisters and they are not remunerated for their services. No trustee had any beneficial interest in any contract with the charity.

The trustees, as Sisters of the Congregation, covenant their pensions and other income to the charity. During the year the five trustees covenanted an aggregate of £115,421 to the charity (2023 – £114,101).

Worldwide Congregation

The Sisters are members of the worldwide Congregation of the Daughters of the Cross of Liege and the charity has objects which are not restricted to the UK. Total grants of £1,148,000 (2023 – £165,000) were made during the year to the worldwide Congregation. Grants totalling £148,000 were made for projects in Rourkela (India), Nepal and Cameroon. There was also a grant of £1m made to Kolkata towards the costs of a new hospital facility being built by the Congregation.

St Raphael's Hospice

Two trustees of this charity; Sister Veronica Hagen and Sister Kathleen O'Reilly are trustees of the St Raphael's Hospice charity. On 1 November 2020, this charity and the Hospice entered into three 20-year lease agreements for the Hospice building, the 759 London Road office, and St Bede's conference centre. All three leases have a nominal rent of £100 per annum.

St Elizabeth's Centre

Two trustees of the Daughters of the Cross are trustees of St Elizabeth's Centre; Sister Veronica Hagen and Sister Josephine Clemence. During the year, this charity paid a grant of £2,000,000 (2023 - £1,750,000) to St Elizabeth's Centre to assist with exceptional staffing and maintenance costs.

19 Capital commitments

As at 31 March 2024 the charity had commitments of £126,000 (2023 – £317,000) for projects at Cheam and Haslemere.

20 Pension commitments

The Works contribute to pension schemes, providing pensions under both defined benefit and defined contribution arrangements.

The assets of the funded schemes are held independently of the charity's finances.

Details of the contributions are as follows:

Name	Type of Scheme	Administrator	Contributions in year	
			2024 £'000	2023 £'000
Holy Cross Hospital	Defined benefit	NHS Pension	10	8
Holy Cross Hospital	Defined contribution	The People's Pension	151	138
Province	Defined contribution	The People's Pension	20	20
Non-scheme contributions			13	11
			194	177

National Health Service (NHS) Pension Scheme

The NHS pension scheme is a defined benefit scheme operated by the National Health Service Superannuation Scheme. The administration of the scheme is dealt with by the National Health Service Pension agencies. The charity is unable to identify its share of the underlying assets of the scheme. Accordingly, it has accounted for its contributions as if it were a defined contribution scheme. Contributions to this scheme are paid in respect of current service. There is no liability to the charity in respect of past service.

21 Post balance sheet events

There are no post balance sheet events that require disclosure.

22 Scope

The financial statements disclose the financial position and results of the charitable company, which incorporate and aggregate the results of the Province and Holy Cross Hospital, Haslemere, Surrey.

As at 31 March 2024, the five existing Communities were: Cheam St Mary's, Surrey; Chelsea, London; Haslemere, Surrey; Much Hadham, Hertfordshire; Stillorgan (Dublin), Ireland.

23 Accounting policies

Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

23 Accounting policies (continued)

Basis of preparation of financial statements (continued)

The Congregation of the Daughters of the Cross of Liege meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

Critical accounting estimates and areas of judgement

The trustees consider that the judgements they have made in the process of applying the charity's accounting policies which give rise to significant effects on the amounts recognised in the financial statements are:

- ◆ The estimated useful lives of fixed assets and therefore the rates of depreciation;
- ◆ The future commitments and other obligations that are used to establish the value of designated funds; and
- ◆ The fair value of listed and unlisted investments.

The trustees do not consider that there are any key assumptions concerning the future, or any other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Going concern status

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements and they have made this assessment in respect of a period of one year from the date of approval of these financial statements.

The trustees are confident that the charity has, and will continue to have, sufficient resources to meet its liabilities as they become due. The trustees have concluded that there are no material uncertainties related to events or conditions that would cast significant doubt on the ability of the charity to continue as a going concern. This is because they believe they have sufficient unrestricted reserves to withstand any temporary drop in income or any additional unexpected liability.

Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

At the end of any financial year, the charity will have issued invoices to local authorities, health authorities, and individuals which cover a period beyond the balance sheet date. This income is carried forward and disclosed as "Income received in advance".

In accordance with the Charities SORP FRS 102, no financial valuation of volunteer time is recognised in these financial statements.

Donations represent income given by individuals, corporations and trusts including recoverable taxation.

23 Accounting policies (continued)

Income (continued)

Legacies are included in the statement of financial activities when there has been a grant of probate, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the charity.

Covenanted income from the Sisters of the Congregation arises from the donation of their pensions and other income.

Grants receivable are accounted for in the period in which they fall due. Grants from the government and other agencies are included as income from charitable activities where they amount to a contract for services, and as donations where the money is given in response to a fundraising appeal or with greater freedom of use.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

Income from charitable activities

- ◆ Fees and charges are derived from individuals and Public Authorities and are stated exclusive of VAT.
- ◆ Other income represents proceeds from the sale of food and sundry other income.

Investment income

Investment income, representing dividends, interest, and income from property, includes any associated tax recoverable. Dividends are recognised once the dividend has been declared and when the right to receive the dividend payment is irrevocable.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

23 Accounting policies (continued)

Expenditure (continued)

Expenditure on charitable activities is incurred on directly undertaking the activities which further the charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost or valuation, less accumulated depreciation and, where appropriate, impairment provisions. All assets costing £5,000 or more, and with an expected useful life exceeding one year, are capitalised. A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of any fixed asset may not be recoverable.

The majority of freehold land and buildings under the total control of the trustees and in use within the charity were valued at 31 March 2014 on a depreciated replacement cost or an existing use basis. Under the transitional arrangements set out in FRS 102, the valuations are deemed to be equal to cost at the date of transition. Subsequent additions are stated at cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	2-5% on cost or revalued amounts
Leasehold property	over the period of the lease
Motor vehicles	10-25% on cost
Medical, computer and office equipment	4-33% on cost

Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

23 Accounting policies (continued)

Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Liabilities

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Pensions

◆ ***Defined benefit schemes***

The charity contributed to one defined benefit pension scheme, the NHS Pension Scheme, providing benefits based on either final or career-average pensionable salary, depending on the scheme. The National Health Service Superannuation Scheme is a multi-employer defined benefit scheme and is an unfunded scheme. As it is not possible to identify the share of the underlying assets and liabilities belonging to individual participating employers, the contributions to the scheme are recognised in the statement of financial activities so as to spread the cost of pensions over employees' working lives.

◆ ***Defined contribution schemes***

The charity operates a number of defined contribution pension schemes. The amounts charged to the statement of financial activities represents the employers' contributions payable to the schemes in the year.

23 Accounting policies (continued)

Fund accounting

The general fund represents unrestricted and undesignated monies used to fund working capital and which the trustees may use at their discretion in furtherance of the charity's objects.

Designated funds are those funds earmarked by the trustees for a specific purpose. They are unrestricted, and the trustees may ultimately use such funds for other purposes. Any income, gains or losses on the assets underlying the designated funds form part of general unrestricted funds.

The funds represented by the net book value of fixed assets are treated as designated funds.

The restricted funds are funds which have been raised for a specific purpose or which are subject to restrictions on their use and include those funds which have to be spent at a particular Work. Restricted funds raised for capital expenditure are released to unrestricted funds once they have been spent. Any income, gains or losses arising from the assets underlying the restricted funds form part of restricted funds.

THE CONGREGATION OF THE DAUGHTERS OF THE CROSS OF LIEGE

England & Wales - Charity number 1068661

Accounts

**The Congregation
of the Daughters
of the Cross
of Liege**

**Annual Report and Financial
Statements**

31 March 2023

Company Registration Number: 03492921

Charity Registration Number: 1068661

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1 Summary of activities

The activities of the charity during the year under review can be considered under two headings.

- ◆ The ministry of the Sisters
 - ◆ Healthcare provided at Holy Cross Hospital, Haslemere, Surrey

Hospital for the treatment of neurological disability and similar long-term conditions

Senior Officer: Ross White (resigned 31 August 2022); Chris Hinton (appointed 5 September 2022)

Website: holycross.org.uk.

The Hospital has 40 beds, over 50 in-patient beneficiaries, 144 employees and 21 volunteers.

The activities of the Sisters are supported by a small central staff who deal with statutory and charity-wide matters, including monitoring the investments and funding Sisters' Communities. The central administration also encompasses the lay staff caring, cooking, and providing housekeeping for elderly Sisters in Haslemere, Chelsea, Much Hadham, Cheam, and Stillorgan, Ireland.

Our finances

	2023	2022
Total expenditure	£14.4m	£12.0m
Total income	£10.8m	£10.2m
Net expenditure	£(3.6m)	£(1.9m)

These amounts are achieved before investment and other gains and losses.

Our people

	2023	2022
Total staff costs	£7.3m	£6.2m
Employees	193	186
Volunteers	21	23
Sisters	35	35

2 Trustees

The trustees who served during the year are:

- Sister Veronica Hagen*
 - Chair and Chief Executive of the Charity
 - Provincial Superior and Chair of the Provincial Council
- Sister Mary McGinn (aka Sister Mary Geraldine)
 - Provincial Bursar
- Sister Annette Clemence*
- Sister Anne Kelly*
- Sister Kathleen O'Reilly*

* Members of the Provincial Council

2 Trustees (continued)

Trustees' thanks

None of the charity's work could be achieved without the dedicated loyalty of all the staff employed by the charity, the efforts of the 21 full-time and part-time volunteers (2022 – 23) the commitment and effort of the 35 Sisters in the Province (2022 – 35 Sisters) or without the continuing generosity of its donors and supporters. The trustees are also extremely appreciative of all the members of the Advisory Committees who contribute to the charity's work by devoting their time and expertise.

To all these groups, the trustees offer their grateful thanks and their prayers.

Strategic Report

3 Introduction

The trustees are pleased to present their report, together with the financial statements of The Congregation of the Daughters of the Cross of Liege, for the year ended 31 March 2023. The trustees' report, including the strategic report, has been prepared in accordance with Part 8 of the Charities Act 2011 and also constitutes a directors' report for the purposes of the Companies Act 2006.

The financial statements are presented in accordance with the accounting policies on pages 48 to 52 and comply with the requirements of the Charities Act 2011, the Companies Act 2006, the charity's Memorandum and Articles of Association, applicable laws, United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice), and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP FRS 102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

4 Charity's aim and objects

The aim of the charity is to provide a legal framework in the UK for the Sisters to follow their calling and to meet the obligations set out in their own Constitution.

In February 1782, in Liege, Belgium, Jeanne Haze was born. As a result of the French Revolution, Jeanne and her family were exiled in Germany, during which time her father died. Jeanne was conscious of her vocation early in her life and was drawn to helping those most in need. On 8th September 1833 Jeanne, and her sister, Ferdinande, made their perpetual vows. The two sisters were joined by other young women wishing to lead a religious life. Jeanne received the name Mother Marie Therese, with Ferdinande receiving the name Mother Aloysia. Along with Sisters Clara and Constance, and two postulants, the Congregation of the Daughters of the Cross was born. This small community of Sisters responded whenever they could to the needs of the people around them, nursing the sick in their own homes, caring for women prisoners, teaching children by day and adults in the evening.

4 Charity's aim and objects (continued)

Blessed Marie Therese was beatified on 21st April 1991. She died on 7th January 1876, by which time she had received more than 900 Sisters into the Congregation and founded 51 communities. These communities were spread across Europe and Asia; Germany (founded in 1849), India (1861), and England (1863), when the English Province was established. In 1910 the Sisters' work was given a more formal framework under a trust deed and in 1998 the activities were transferred to a charitable company limited by guarantee, the objects being based on their Constitution. The charity is established to:

- ◆ advance religion, by establishing and maintaining residencies for the Sisters of the Congregation.
- ◆ advance religion, advance education and relieve poverty and suffering, by direct activity in the community and by all other charitable means, including giving alms to the needy.
- ◆ relieve poverty and suffering, by establishing and maintaining hospitals, hospices, nursing homes and residential homes for the sick, elderly and needy.
- ◆ advance education, by establishing and maintaining educational institutions in accordance with Canon 803 of the Code of Canon Law.
- ◆ carry out any other charitable purpose for the benefit of the community as the trustees shall from time to time determine.

For the Sisters, Religion is the commitment to love and serve God as expressed in their vows and is and always has been the centre of their lives and everything they do. Thus, to them, Religion is not just about worship and prayer but encompasses, among other things, teaching and caring for others. To quote from the Sisters' Religious Constitution "They serve Christ in the works of general and special education, the care of the sick and the aged, abandoned children, the physically, psychologically and mentally challenged, the socially deprived, local pastoral work and the various needs of the Church". The Sisters do not see the above objects as separate activities but as all part of the one Religious life they have chosen.

The Religious commitment of the Sisters permeates all of the charitable activity carried out in the name of the Province and the charity.

5 Strategic plans and objectives

The trustees are continuing to work on their strategic objective of resolving the long-term futures for:

- ◆ The Sisters, including where and how they live and are supported and cared for;
- ◆ Holy Cross Hospital, as eventually there will be an insufficient number of Sisters with the appropriate skills to continue to be responsible for the Hospital, whose activities are complex and heavily regulated.

5 Strategic plans and objectives (continued)

Supporting these longer-term strategic plans, are the objectives of the charity;

- ◆ Ensure that the senior management of the charity have the required capacity and capability to run the day-to-day operations of the charity in line with their set objectives, including meeting or exceeding all regulatory standards.
- ◆ Ensure that the Sisters have the means to enable them to live their lives as spiritually and actively as possible.
- ◆ Provide healthy, inclusive, and safe environments for Sisters, beneficiaries, staff, volunteers, and visitors.
- ◆ Provide services that are complimentary to those available locally through the NHS and to do so in co-operation with statutory authorities and other healthcare professionals.
- ◆ Continue to develop services in neuro-disability and associated rehabilitation of physically disabled adults by increasing the knowledge and expertise of staff, collaborating with the NHS and other professionals and by improving facilities.
- ◆ Operate the physiotherapy centre as a service to local people, offering high quality and accessible physiotherapy services and classes.
- ◆ Provide comprehensive training programmes for staff and make these available as appropriate to other local care providers and agency staff.
- ◆ Maintain the ethos of the Congregation across all areas of the charity.

6 Activities, performance and achievements in the year

Sisters' and Provincialate objectives and activities:

The activities of the Sisters and the central office are referred to in this report as 'The Province', as a collective term for their combined activities. Holy Cross Hospital and the activities that take place there, are described separately, as the two parts of the charity operate quite differently on a day-to-day basis.

The objectives for the Province for 2022/23 were:

To complete the major building works on our Cheam site

These projects all suffered delays during and since the Covid-19 lockdowns and associated delays within council planning departments and global supply chains. The projects to build or redevelop four dwellings for the Sisters were unfinished at the balance sheet date, and are expected to be completed during 2023/24.

To review the long-term plans for Sisters' residences

These plans remain on hold, largely due to delays with the various property projects described above. This work rolls on into next year.

To complete the move of the Province central office into the St Joseph's building in Cheam

The central office moved from Chelsea to St Joseph's, North Cheam in January 2023.

6 Activities, performance and achievements in the year (continued)

To resolve the future of St Wilfrid's, Chelsea

The property was placed on the open market in May 2022. Despite considerable interest and coming close to completing on a deal to sell the property, the site remained unsold at the balance sheet date. The property was re-marketed for sale in September 2023 and the trustees continue to work with advisors to achieve a sale in 2024.

To complete the redevelopment project at Holy Cross Hospital

The project to create two new patient beds, extend and redevelop the staff training facilities, and other building work on St Margaret's and St Joseph's was almost complete at the year-end date. Phase two of the redevelopment project will take place during 2023/24.

The main activities of the Province are:

- ◆ the welfare of the frail and elderly Sisters;
- ◆ the individual ministries of the Sisters
- ◆ the support of Holy Cross Hospital;
- ◆ the support of the former Works of the charity; and
- ◆ the support of the Worldwide Congregation.

The Province continues to have a presence in England and Ireland. The Sisters continue to fulfil the objectives of their Religious Constitutions, which are further reflected in the charitable company's Memorandum and Articles of Association.

The Sisters are trustees, part of management, donors, and beneficiaries. The trustees, like all our Sisters, covenant their pensions and other income to the charity. Having taken a vow of poverty they have no financial resources of their own and they are provided for by the charity as beneficiaries. The Sisters have spent their entire working lives in one or other of the past or present Works and when they reach their later years the charity continues to care for them. As Sisters age, the care and support they require in their Communities is gradually increasing.

The Sisters continue to fulfil the objects set out in both their Religious Constitutions and in the charitable company's Memorandum and Articles of Association, despite the advancing age and frailty of some of the members. The Sisters provide in-house facilities in England and Ireland to meet the need of their growing number of very frail and sick members, who need full time care. For Sisters with complex healthcare needs the Congregation may purchase a separate care provision.

6 Activities, performance and achievements in the year (continued)

To complete the redevelopment project at Holy Cross Hospital (continued)

Several of our Sisters are trustees of other charities (where they act as individuals, not on behalf of the Province). Sister Annette Clemence, Sister Pat Ainsworth, and Sister Veronica Hagen are trustees at St Elizabeth's Centre. As well as being trustees, the Sisters have roles as school governors (Sister Annette and Sister Pat), a college governor (Sister Annette), and a member of the healthcare quality committee (Sister Veronica). Sister Veronica and Sister Kathleen O'Reilly are trustees of St Raphael's Hospice. Sister Kathleen is also a member of the Hospice finance committee and Sister Veronica sits on the income generation committee. Five sisters serve as Trustees for our own charity. A sister is appointed to support each of the groups of lay people, who are associate members of the Daughters of the Cross. These groups are based in Cheam, Carshalton, Much Hadham, Jarrow, Dublin (Ireland), and Tracey (California).

The Provincial Superior and Provincial Bursar are members of Conference of Religious in England and Wales and the Association of Provincial Bursars respectively and participated in the Annual Conferences in 2022. Sisters are members of the Association of Senior Religious JPIC. During the year, the Province subscribed to membership of the Religious Life Safeguarding Service (RLSS) and the Catholic Safeguarding Standards Agency (CSSA) and are in the process of refreshing our own safeguarding procedures.

The governance and oversight work these Sisters do in the various charitable organisations they support is part of their mission and contribution to civil society and local communities.

The Province has two dedicated Care Communities to support the full-time care needs of 16 frail elderly members. The Communities are based in Haslemere, Surrey and in Stillorgan, Dublin. This arrangement enables these Sisters to continue to participate in the spiritual rhythm and companionship of community life, whilst continuing to receive the care they need.

No Sisters are in paid employment anymore. All Sisters are over 70 years old, so it is unlikely any will carry out paid employment in the future. However, Sisters remain very active and carry out a great deal of unpaid work in a variety of settings. With expert advice, the Sisters manage the income and reserves of the Province in a socially and environmentally responsible manner, to ensure we can support our commitments both at home and abroad.

Each Sister is supported in their chosen ways of volunteering in their neighbourhood. Examples are organising chaplaincy support, offering spiritual and/or pastoral companionship to pupils, patients, staff and relatives within our own hospital (Holy Cross), or in our previously owned services that are now independent charities. Sisters also take part in ecumenical activities, particularly those helping homeless people or those on low incomes. The Province continues to support a charity that supports victims of human trafficking and from this year has started to support Living and Dying Well's work in the end-of-life debate.

6 Activities, performance and achievements in the year (continued)

To complete the redevelopment project at Holy Cross Hospital (continued)

Some examples of mission work carried out by Sisters during the year include working as a volunteer befriender through the Marie Curie charity to support people living with cancer; working with ResultsUK on campaigns around nutrition in developing countries, creating the political will to end poverty, 'giving a voice to the voiceless', and supporting asylum seekers coming to the UK. Our Sister based on Holy Island has recommenced her pastoral support to the Catholic community on the island and is once again active in the island's ecumenical and social networks.

Sister Ann Venita, a member of our Cheam community, volunteers at St Raphael's Hospice on a daily basis. This can involve speaking to patients and their families, writing cards and letters to families, and arranging for patients of all faiths to speak with or receive visits from ministers of their own religion. Sister Ann also volunteers in the Hospice's Wellbeing Centre, where they welcome cancer patients, hospice at home patients, and their families and provide emotional support, fun, exercise, and joy.

Our Sisters in Ireland have welcomed two Ukraine families who have sought refuge from the invasion by Russia. The two families are living on the Stillorgan site, and is part of an agreement signed with the Irish Refugee Council. The agreement is for 12 months and can be renewed. Both families have settled in well and interact with the Sisters. The children attend local schools and have a safe garden to play in. Sisters in Ireland continue to be involved in their local community, with Sister Marlene Syllas involved in the work of the local Parish, and Sister Joyce Cullinane continuing her many years of working and volunteering at St James's Hospital, Dublin.

The Sisters also continue to be involved with The St Stephen's Green Trust, where our endowment continues to fund vital work in the area of social justice. The Daughters of the Cross gave the Trust a €3m permanent endowment in 2003 and the income generated from that sum is spent supporting the work of the Trust in Ireland, in line with the Deed of Gift. The work of the St Stephen's Green Trust in the areas of relief of poverty and advancing welfare and health in communities is very closely aligned with the charitable aims of the Daughters of the Cross.

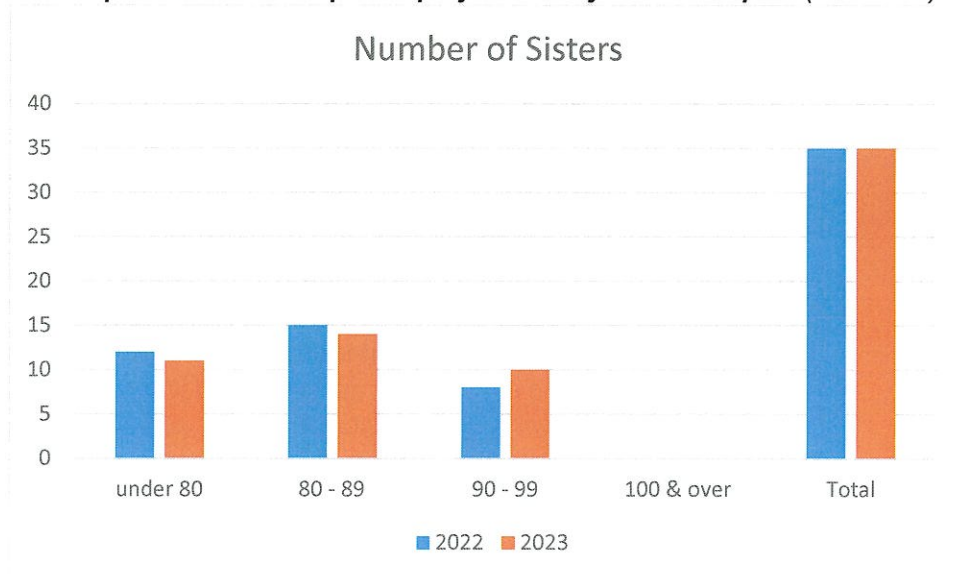
Sister Gillian Price works closely with RESULTSUK and JPIC (Justice Peace and the Integrity of Creation) with their advocacy work on nutrition, healthcare, and ending poverty in developing countries, including engaging with MPs and other parliamentarians in order to use UK overseas development aid effectively.

The Sisters care deeply about their own impact on the environment and nature. They continually seek to address environmental and ecological issues and maximise reusing and recycling in their own living areas, caring for local wildlife, conserving water, and engaging in citizen science projects that support biodiversity and protecting UK wildlife that is under threat.

At 31 March 2023 there were 35 Sisters (33 in Communities and 2 on the General Council) in the Province (2022 – 35 Sisters (33 in Communities and 2 on the General Council)). No Sisters died during the year.

6 Activities, performance and achievements in the year (continued)

To complete the redevelopment project at Holy Cross Hospital (continued)



The Sisters normally spend time on retreat each year in silent contemplation and prayer. The purpose being to deepen their own spiritual life and to reflect on and evaluate how they are fulfilling their commitment to helping those most in need.

The Province's frail and elderly Sisters are cared for in appropriately adapted accommodation in Haslemere, Surrey and in Stillorgan, Ireland within a Community setting and with the help of lay staff. The costs are significant, but it avoids the need for Sisters to go into the full-time and even more expensive care of others.

Sister Communities are also supporting adult groups known as Associates of the Daughters of the Cross. These are people who wish to embrace the Charism and Ethos of the Congregation and who in turn support the Congregation's ministries with their prayers. The English Province Sisters support Associates in Carshalton, Cheam, Jarrow and Much Hadham in England, Stillorgan in Ireland and Tracy in the USA, and there are other groups of Associates in many of the countries in which the Congregation works.

The Province supports the Worldwide Congregation in various ways. The English Province continues to provide two members of the General Council; Sister Maureen O'Brien and Sister Mary McLaughlin. The Province continues to hold the Worldwide Fund designated fund, which enables it to provide grants for the International Generalate to support other Provinces around the world. The Province pays an annual contribution towards the running of the International Generalate and the costs of the Chapter and General Meetings.

6 Activities, performance and achievements in the year (continued)

Holy Cross Hospital

Working in close co-operation with the NHS (from which most patients are referred), Holy Cross Hospital provides high quality inpatient services to adults with severe and complex neurological disabilities or illnesses that may arise from acquired brain injury, spinal cord injury or advanced stage of degenerative illness. It also has a physiotherapy centre which houses the hydrotherapy pool, enhancing the treatment of some inpatients and providing excellent facilities for outpatient treatment. The Hospital makes the benefits of physiotherapy and hydrotherapy available to as many local people as possible. The Hospital is also able to provide short-term rehabilitation and respite care.

Most of the inpatients referred to the Hospital have been in contact with statutory services and most of the Hospital's income is derived from NHS Clinical Commissioning Groups (CCGs), replaced in July 2022 by Integrated Care Boards (ICBs), and Local Authorities, who are responsible for funding such healthcare services.

The Hospital aims to achieve the best possible quality of life for all those using its services, with a high priority being given to engaging the support and participation of family members. Some patients require access to the Hospital's services over prolonged periods, therefore great effort is devoted to making the environment as home-like as possible, to which donations and the work of volunteers make a major contribution.

The Hospital has forty beds and achieved an average of 93.5% in-patient occupancy (2022 – 88.8%). The increase in occupancy was related to the steadily reducing impact of the Covid-19 pandemic, with a consequent increase in the number of suitable patients being referred to the Hospital. Recovering occupancy to pre-pandemic levels and securing the staff required to deliver services were the primary areas of focus this year. The Hospital has maintained its Outstanding CQC rating.

The year in review was one of significant change and challenge at the Hospital. The Hospital CEO resigned in August 2022, with an interim CEO in place for the remainder of the year. Throughout the year the large building redevelopment project took place which, while necessary for the long-term future of the Hospital, did create some short-term challenges on-site. However, during this year of significant upheaval, patient care remained our top priority and high levels of care were maintained throughout.

Grants

Although grants were awarded each year, the charity is not primarily a grant-making charity.

Before every grant is approved, a request for appropriate information to support the grant is made to ensure that it is within the charitable objectives and being made to an organisation or on a project which the trustees wish to support. The impact which the grant would make is also considered. For all grants made within the Worldwide Congregation, reports are received (including photographs) to show what has been achieved with the funds.

During the year there were £165,000 (2022 – £146,000) of worldwide fund grants made to communities of the Worldwide Congregation to help their work in poor local communities in Cameroon, Nepal, and Rourkela, India.

6 Activities, performance and achievements in the year (continued)

Grants (continued)

Two grants were awarded to Nepal, both supporting the work being done by Sisters at the Christalaya convent in East Nepal. The total of the two grants was £40,000.

The first project is to support the children at the Christalaya Hostel in Maheshpur. Maheshpur is an area where a high percentage of the population are landless labourers, working in the tea gardens and paddy fields, while living in small accommodation provided by their employers. The children of these workers, as well as girls living in challenging and impoverished homes are given access to good quality education, medical care and wellbeing services, and are able to learn crafts and other skills needed in later life. The Hostel currently has 30 boarders, from very young children to college-age students. The Morning Start Nursery provides the younger children with good quality early years care and development, to prepare them for school. Last year it had 37 children attending regularly. The Hostel also provides medical and pastoral care for the children. The £10,000 grant was to pay for food, toiletries, and equipment used by the children, and pay the costs of the teaching and support staff.

The second project was to support the St Joseph's school in Tulachan, East Nepal. The school was started in 2015 and provides education for up to 276 pupils, up from 195 in previous years. The area has a low literacy rate and many people in the Santhal Tribe, who populate this area, earn their living as agricultural labourers, but do not own any land themselves. The grant of £30,000 was to fund buying books, uniforms, desks, benches, and chairs for the pupils, as well as covering the costs of the teaching and non-teaching staff. The grant also covered the school fees for 110 children, who come from families who are not able to afford to pay themselves. Due to the rising number of pupils, six more teachers were recruited this year.

In Rourkela, India, two grants of £24,000 each were awarded to the Daughters of the Cross Rourkela Province. The first project was to fund the completion of the development of the St Joseph's school in Gaibira. The pandemic meant that the financial resources of the Rourkela Province are depleted, and the Sisters there have been unable to fund the much-needed development of the school that is linked to the St Joseph's convent. The school was closed during the pandemic but has re-opened its doors and welcomed the children back. The grant will fund the construction work (paused due to Covid lockdowns) that was started last year (also funded by a WWF Grant from the English Province), which will allow more students to attend the school and will provide a better teaching and learning environment.

The second grant, also for £24,000, is to fund a project at the St Joseph's school in Sundargarh. Due to cutbacks in local government support for education in the locality, the Sisters have had to take it upon themselves to help educate the children of the local tribal people. There are 247 children at the school (up from 210 last year) and the grant will allow the Sisters to maintain their education and keep developing the school, so it continues to meet the needs of the local people.

6 Activities, performance and achievements in the year (continued)

Grants (continued)

Several grants totalling £77,000 for projects in Cameroon were also awarded. These are for projects across the different parts of the country where the Sisters live and work. In recent years this activity has been severely restricted by civil war and terrorist groups, so the grants help to cover the costs of re-starting the work of the Sisters in Cameroon, building the infrastructure (such as boundary walls, a well, and solar power) and supporting the development of the novice Sisters.

A grant of £1,750,000 was paid to St Elizabeth's Centre during the year, to assist with high costs during a period of reduced income. This grant is shown within Charitable activities (Grants and donations) on the Statement of Financial Activities.

The Sisters also made grants and donations totalling £32,000 (2022 - £29,000) to projects in the UK and to emergency disaster relief appeals. These include £10,000 to CAFOD for their Turkey and Syrian earthquake appeal and £5,000 to their Pakistan floods appeal. £10,000 to Living and Dying Well, £5,000 to the Medaille Trust and £2,000 to the homeless charity Glass Door. Other smaller donations totalling £400 were awarded to other organisations such as Housing Justice and the Cardinal Hume Centre.

7 Volunteers

The Sisters are Apostolic Religious volunteers and the whole of their lives is given to helping those in need.

The trustees and staff are very grateful to our volunteers, in whatever role they carry out, across the charity, who give freely and generously of their time and who bring enthusiasm and dedication. They make an enormous contribution to the lives of the beneficiaries and the success of the charity.

At Holy Cross Hospital volunteers make a significant contribution to the activities of the Hospital. They contribute to patients' quality of life by supporting social activities in the "Living Room" and outside in the wider community by helping with transport, outings, and fundraising through the Friends of Holy Cross Hospital.

8 Financial Review (including reserves)

Results

The Statement of Financial Activities shows an overall result of £9.9m deficit, which is made up of a £9.8m deficit in general funds and an £82,000 deficit in restricted funds.

The losses on investments of £6.2m make up the majority of the £9.9m deficit. However, there was also a £3.7m operating deficit, which is driven by several factors across the charity. During the year there was a £1.75m grant paid to another charity (the St Elizabeth's Centre). High inflation has driven up staff costs this year, as well as affecting non-pay expenditure such as energy bills and within the Province there continued to be significant non-capital expenditure on our properties. Income challenges such as lower Hospital patient occupancy and investment income still recovering also affected the in-year financial performance.

8 Financial Review (including reserves) (continued)

Results (continued)

Within the Province, there was significant expenditure (almost £1m) on property projects throughout the year. Some of these are capital projects that either finished during the year, or are ongoing in 2023, whereas some were non-capital projects. Costs supporting the members of the congregation were up again this year, at £3.7m (2022 - £3.5m). These projects took place across our two large sites in Haslemere and Cheam.

As well as the significant spend, there was considerable time and energy spent on property matters during the year. This includes moving the Chelsea and Much Hadham communities, as well as the Provincialate office, to the Cheam site. In addition to this, there was considerable time and money spent getting the St Joseph's building ready for the new community living there, and the office and archives of the Province moving from St Wilfrid's, Chelsea.

Within the Province, income from investments was £2.5m (2022 - £2.6m). But, looking back to pre-pandemic times (2018/19) Province investment income was £2.95m. The fall in income in the past four years, whilst also suffering cost inflation over the same time period, means it continues to be challenging to meet all the needs of our beneficiaries and other people we work with – some of whom are experiencing very challenging economic circumstances.

However, fundamentally, the current income model continues to work for the Province and only a longer-term, systemic change in markets and dividend payments, or a permanent shift in the Province's cost-base would create a cause for a realignment of the income model. The Provincialate team continue to talk with the investment managers to ensure the situation is closely monitored and managed.

Holy Cross Hospital has worked hard over recent years to agree a level of fees with CCGs, ICBs, and Local Authorities that cover the full cost of providing the appropriate level of care for its patients, with NHS funding authorities awarding fee uplifts in the range of 3.5% to 4%. However, while this helped to increase patient income by 10%, with costs rising at an even greater amount, the Hospital again recorded a deficit, even before charity-wide support costs are allocated).

Staff costs of £5.4m are 68% (2022 - £4.9m and 67%) of its running costs, which is not unusual in healthcare settings. The Hospital had income from Health and Local Authorities of £7m (2022 - £6.2m), £249,000 (2022 - £335,000) of income from private patients, and £276,000k of other income (2022 - £316,000). The total cost of running the Hospital before charity-wide support costs was £8m (2022 - £7.3m).

The trustees' and management's focus at the Hospital is to ensure a stable and improving financial operating model, so that it can continue to run successfully in the future.

Investment gains and losses

There were investment losses of £6.2m for the year (2022 – £5.3m gain). These are explained in the section on Investment performance.

8 Financial Review (including reserves) (continued)

Reserves policy and funds

The trustees are conscious of the requirement to balance the needs of present and future beneficiaries, especially the Sisters current needs versus the changing needs over the next 20-30 years. This means that each year they consider whether to increase the proportion of resources allocated to general and designated funds reserves or whether to invest more in areas such as fixed assets, staffing, and training to maintain, improve or develop services to beneficiaries.

A thorough review of the charity's reserves was conducted during the year. The result is a new policy for the general funds reserves. A further review of our designated funds has been deferred to 2023/24.

The previous policy was that the charity should hold free reserves of between three and six months of normal, unrestricted expenditure. The policy review sought to align the level of reserves with the major risks faced, and the potential financial effects, should one or more of these risk events occur. Trustees acknowledged that given the volatile nature of external markets at present, it is possible that several risk events could happen at once, or that one event may trigger a series of challenges, and so it is prudent to set the reserves at a level that could withstand the full effects of the major risks.

The reserves policy states that £10.7m should be held as free reserves, and that half of this figure should be held in cash, with the other half held in investment assets to mitigate inflation risks over the medium to long term.

The significant risks facing the charity include sudden large falls to major income streams such as fee income at Holy Cross Hospital and income earned from the investment portfolio. Other elements of the policy include reserves to protect against adverse events or to enable an orderly winding down of the charity should that need arise.

The free reserves, which are funds that are neither restricted nor designated for a defined purpose, are represented on the balance sheet as the General Fund. Once its level is decided, trustees can consider the charity's other needs and what funds are available to be designated.

The General Fund (free reserves) at 31 March 2023 stands at £10.7m (2022 – £9.5m). This is in line with the free reserves target of £10.7m. Having set this target reserve part way through the year, the trustees are satisfied that the level of reserves have met the target, and that over the coming months the charity will work towards meeting the second-level target of holding half of the free reserves in cash.

Restricted funds

Restricted funds of the charity relate to the surplus monies which have either been raised or given for, or their use restricted to, specific purposes or which comprise donations subject to donor-imposed conditions. At 31 March 2023 they amounted to £1.5m (2022 – £1.6m), of which £1.4m (2022 – £1.5m) is in respect of a legacy given for the benefit of Holy Cross Hospital. The legacy was partly used to build a Hydrotherapy Centre, with the remainder (the restricted fund) being invested so the income generated can fund the maintenance costs and keep the facility running.

8 Financial Review (including reserves) (continued)

Designated Funds

The fixed asset fund amounts to £33.5m (2022 – £32.7m) and relates to those funds invested in tangible fixed assets. Other designated funds are established out of general funds where there is a need to provide funding for a specific purpose. The funds include:

The Daughters of the Cross fund stands at £43m (2022 - £45m). The level in the Daughters of the Cross fund reflects the continued (and future) decrease in covenanted income of the Sisters. The cost of running the Communities has not materially decreased over recent years, despite the reduction in the number of Sisters. At present, Sisters – including the frail and elderly - live in community. Two communities have a staff team to provide care and other support to the Sisters who need it. While these costs are significant, the current arrangements allow for the Sisters to live and take part in religious community life within the convent. Were Sisters to be resident in a care home this would incur higher costs, and the Sisters would lose the spiritual connection of living in community.

The shortfall in covenanted income to meet the Sisters' living costs must be met from investment income. The current size of the fund that provides this income has been necessitated by the post-pandemic lower yields we have been experiencing within the investment portfolio since 2020. The income from Sisters pensions is considerably lower than the annual day-to-day living costs of the Sisters across all of our Communities. The shortfall is approximately £1m, and this can only be made up from income generated by the investment portfolio. Yields fell during 2020/21 and have been slow to recover ever since, so, a substantial fund is still required to generate the required amount of income, given we are still seeing income yields of approximately 2.5%.

Provincialate fund of £34m (2022 – £31m). This fund has been established so that the income generated by the investment assets within it will meet the running costs of the charity's central core functions. This facility will be required for the foreseeable future as the Provincialate office has no source of income other than investment income. The fund has been increased to meet the growing costs the charity faces due to high inflation pushing up the cost of goods and services.

The £10.8m (2022 – £23.2m) Charitable activities fund reflects the continuation of the stated objective to plan for the future of the current and former charitable Works so they can continue their much-needed work. This will involve improving their physical and digital infrastructure, and ensuring their services are compliant and fit for current and future purpose. The Works' finances are very marginal, particularly in the current climate of central government and local authority budget cuts. The fund is also in place to fund other long-term needs of the Sisters, such as ensuring appropriate housing and maintaining and enhancing existing properties.

8 Financial Review (including reserves) (continued)

Designated Funds (continued)

This fund is invested to underpin the wide needs of the Works and the charitable activities within the Province. The needs are connected with the objective of finding long-term secure futures for the Works, securing the value of the existing land and buildings within the Province, and the long-term accommodation and other needs of the Sisters. It is difficult at this time of great change, both internally and externally, to calculate the funds which may be required to secure those futures. Some of these funds have been utilised over the past three years, by building new dwellings for Sisters as well as significant refurbishment of existing buildings, as well as supporting one former Work with a grant of £1.75m during the year. The fund has been further reduced this year, not because of lack of need in the areas this fund is set up for, but because of the fall in the value of our investments since the previous year-end. Unrealised investment losses of over £6m this year, means that the charity is not currently able to designate as much as it would like to fund these challenges.

Worldwide fund of £8.0m (2022 – £8.5m). This fund is invested to produce annual income to meet charitable needs across the worldwide Congregation. The decrease represents the fall in investment valuations, as well as the grants paid out during the year for projects in India, Nepal, and Cameroon.

St Raphael's Hospice fund of £2.7m (2022 – £2.7m). This fund was established at £6.3m following discussions between trustees and the senior management team at the Hospice. £3.6m was paid across to the Hospice upon separation, and the remaining £2.7m is being held as a contingency against the risks of delay, variances against inflation assumptions built into the new business model, and possible future volatility in legacy income. The expectation is that this fund will begin to be utilised from next year.

The £98.5m other designated funds (i.e. not including the tangible fixed assets fund) are represented by fixed asset investments.

Overall

The overall position is that total funds have decreased over the year by £9.9m (2022 – £3.4m increase). This is mainly due to the £6.1m decrease in the value of the investment portfolio, as well as the £3.7m in-year operating deficit. At 31 March 2023 the charity has total funds of £144.2m (2022 – £154.1m).

9 Investments

Investment policy

The charity's investment objective is to preserve capital value in real terms and to achieve a growing level of income over time. The day-to-day operation of the portfolio is managed by three investment management firms, who must each operate in line with risk and other parameters set out in our investment policy statement. Their approaches and strategies are all different, which gives additional diversification and contributes to the management of the various risks involved in holding investment assets.

9 Investments (continued)

Investment policy (continued)

The charity has had an 'ethical' investment policy for many years as they believe that the practice of holding investments must be done in line with the Sisters' ethos, values, and spirituality. Inevitably this means that some investments cannot be held as they will be incompatible with the values of the Congregation and Catholic Social Teaching. The trustees are comfortable that the long-term total return on the investments is not materially negatively affected by the exclusionary screens that form part of the overall investment policy. The investment policy is reviewed every year by the trustees, in consultation with the finance advisory committee.

The investment policy states that no charity funds are to be directly invested in companies which generate significant income from armaments, adult entertainment services, high interest lending, companies who breach modern slavery standards, or oil and gas companies that are not actively working towards meeting the goals of the 2015 Paris Agreement. Also excluded are companies which are involved in areas of activity contrary to the sanctity of life.

For certain areas of investment stewardship (for example the environment or corporate governance), the policy is to adopt an "engagement" approach, which means using the charity's position as a shareholder, through its investment managers, to encourage companies to adopt more ethical and socially responsible policies and procedures, such as meeting Net Zero commitments. The investment managers, either internally or by using external agencies, monitor the activities of those companies in which the charity is invested, and the results of that monitoring are reported on and considered by the committee at all investment meetings. Our managers are asked to either follow-up on issues that they are currently engaging on, or we ask them to start to engage with companies on other specific topics of environmental, governance or societal issues.

The charity's investment policy underwent review during the year, to ensure it remains fit for purpose and relevant to the present and future issues surrounding charity investments, particularly faith charities. There are various initiatives around faith-consistent investing and the role of catholic social teaching when selecting investments and the trustees are engaging with these at an early stage. These are longer-term processes and, while similar to "ESG" considerations, require deep thought on the interplay of faith and the financial system, so results will be seen over a period of years.

Investment management, review and performance

The portfolios are invested for the long-term and comprise listed UK and overseas equities and fixed interest stocks (bonds), with an exposure to commercial property and other 'alternative' investments. The investments comprise direct company holdings in both equities and bonds, together with pooled funds which are used by each of the managers to gain specific exposure and to manage risk. Income is withdrawn to meet central costs and the needs of the Sisters, and to fund the Worldwide Fund grants.

9 Investments (continued)

Investment management, review and performance (continued)

The portfolios have a significant exposure to global equity markets and the trustees therefore accept that there is likely to be considerable volatility in values. The strategic asset allocation of the overall portfolio, as well as the three individual portfolios, is continually monitored by trustees, in consultation with the investment managers and the Finance Advisory Committee (which includes all trustees and volunteer independent investment advisors). This group is satisfied that all the movements in investment values were within acceptable parameters.

The investment market was again difficult and various asset classes performed poorly over the year, which is reflected in our results to March 2023. The portfolio saw large losses across the first half of the year (April – September 2023). And although the October to March period saw small recoveries in markets, these did not make up for the falls in values in Spring and Summer 2022. The overall result is that our investment portfolio dropped in value over the year, falling from £112.2m in April 2022 to £105.8m in March 2023.

The investments will continue to be carefully monitored as markets and economic conditions remain volatile and investment income remains a challenge to get back to pre-pandemic levels, given the current economic climate of high inflation, rising interest rates, and global supply chain delays.

Each of the three investment managers' results are reviewed formally at meetings twice a year, where up to date reports are reviewed, performance against benchmarks is considered, and any issues concerning ethical investment or corporate governance are discussed. Composite benchmarks are arranged in consultation with each manager reflecting the agreed asset class allocations and using appropriate indices for each asset class. Where action is necessary this is agreed and the actions are monitored to ensure it was taken. Actual performance against the benchmarks for the 12 months to 31 March 2023 was as follows:

(Shown on a total return basis)	2023		2022	
	Actual %	Benchmark %	Actual %	Benchmark %
BlackRock	(3.50)	1.75	11.76	12.00
Sarasin	(4.20)	(2.40)	6.00	9.10
Evelyn Partners	(3.60)	(2.20)	8.80	13.60

The trustees continue to be satisfied with their investment managers' actions and performance over the past 12 months. All three recorded losses for the year and all three were below the benchmark returns they are each measured against. This partly reflects that the oil and gas sector recorded good results in the latter part of the year. Because we are not invested in these companies, due to our ethical policy, our actual results were below the benchmark. Our portfolios are also underweight very large tech stocks (Meta, Tesla, Apple etc), which make up a large proportion of the US market's returns.

10 Fundraising

The charity is registered with the Fundraising Regulator and is committed to adhering to the Fundraising Code of Practice. There have been no adjudications and no significant failures to comply with those standards. The charity has detailed policies and procedures in place to ensure high standards are complied with and those procedures ensure that all fundraisers and those who work on the charity's behalf are aware of them.

During the year, there were no reported failures in compliance with the Fundraising Regulator or other regulatory bodies, including the Gambling Commission (2022: none) and no fundraising complaints received (2022: none).

Holy Cross Hospital does not undertake fundraising activity itself, but it does benefit from the fundraising efforts of another charity, the League of Friends of Holy Cross Hospital. The Province does not undertake any direct fundraising with the public, nor use the services of a third-party organisation.

11 Risk management

The charity works with people who have complex needs and caring for them involves carrying out activities which entail inherent risk. Whilst actions can be taken to monitor, manage and mitigate risks, only a certain level of assurance can ever be obtained, and the trustees accept that there are some risks which are outside of the charity's direct control, and which cannot be mitigated. Trustees are nevertheless committed to maintaining highly developed risk management processes across the charity.

There are separate risk registers maintained at both Holy Cross Hospital and the Provincialate office. However, some risks carry across both parts of the charity; high inflation, increasing staff and non-staff costs, data protection and cyber risks are all features that need careful management.

At Holy Cross Hospital, the management team assesses risks on an ongoing basis, with a summary of the major risks being presented to the advisory committee for discussion and review. Risks are assessed under four main headings; clinical management; estates, facilities and supply; workforce; and governance. In respect of clinical management, the Hospital specialises in the care and treatment of vulnerable adults. Detailed attention is given to the clinical education and training of all clinical members of staff and patient feedback is actively sought. Where applicable, policy and practice are updated by reference to it. Infection prevention control is also a key part of the care and treatment of our patients.

Within the Provincialate office, the risk register is updated regularly and is reviewed by trustees at least once every year. Significant risks currently facing the Province include high inflation eroding the real value of investments and investment income, meaning income cannot keep pace with rising costs. Diversification across asset classes, sectors, geographies and currencies, as well as actively managing the asset allocation, are key ways of managing the various investment risks faced. Regular dialogue with our fund managers to ensure the investment agreements are robust, but flexible when required, and that any change in need or future plans is communicated well in advance so any changes can be well planned over time remains critical during a period of volatility.

11 Risk management (continued)

Exposure to risks relating to the major building projects under construction is still significant but has reduced in likelihood over the year as projects become closer to completion. While it is a short-term risk, careful management of contractors and budgets is necessary. The trustees utilise the services of a third-party project management firm (a long-standing supplier to the charity) to ensure projects are kept on time and on budget, and any issues that arise are dealt with swiftly.

The charity maintains a good level of reserves, and a robust set of insurance policies, which also ensure the charity is managing its risk exposures prudently.

12 Events since the year-end and future plans

There were no significant events since 31 March 2023.

Future plans for 2023/24 within the Province include:

- ◆ To resolve the future of the 29 Tite Street, London property.
- ◆ To continue to fund the redevelopment project at Holy Cross Hospital.
- ◆ To continue to review the future status of Holy Cross Hospital.
- ◆ To complete the major building works in Cheam (Clarkes Avenue and 571 Gander Green Lane).

Future plans for Holy Cross Hospital include:

- ◆ Completion of building work to bring into use the two new patient rooms, refurbish the former convent building into a staff facility, and provide new office space and meeting rooms within the Hospital.
- ◆ Continue the work to introduce a new electronic patient record system.
- ◆ Digitisation of archive patient records.
- ◆ Recruitment of a new, permanent Chief Executive Officer of the Hospital.
- ◆ Introduce ultrasound scanning for physiotherapy outpatients.

Other matters

13 Public benefit

In many different locations both in the UK and overseas, Sisters have lived and worked to help the public - not only to advance Religion but to bring relief and improvement through education, healthcare, and social work and in whatever other ways were open to them. The charity continues in this spirit.

Holy Cross Hospital provides services which are not widely available within the NHS or elsewhere Through the Worldwide fund grants, the Sisters fund projects such as new schools and educational resources in developing nations including Nepal, India and Cameroon. The various grants to other UK charities helps those organisations to achieve their own charitable aims.

As required by the Charities Act 2011, the Charity Commission has issued guidance on the "public benefit requirement". The trustees have considered the guidance and have had regard to it when exercising any powers or duties to which the guidance is relevant. The trustees consider that many aspects of this report demonstrate the public benefit which the charity provides.

14 The environment

The trustees are aware of the charity's social responsibility to protect the environment. The Works have conservation and waste programmes in place to reduce the consumption of energy and water, to reduce waste so that as little as possible goes to landfill and to recycle metals, chemicals, etc. wherever possible. Our St Mary's Convent uses solar panels to generate a high proportion of its electricity, as does the Hydrotherapy Centre in Holy Cross Hospital. Whenever significant work is carried out on any of the charity's properties, opportunities are taken to reduce energy consumption. The Congregation has for many years held investments in solar and wind power and other 'green' energy funds and regularly engages with our investment managers on climate change matters.

15 Structure and governance

15.1 Legal structure

The charity is a charitable company limited by guarantee and its governing documents are its Memorandum and Articles of Association which set out the objects of the charity, the powers of its trustees and details of its general administration and governance.

In terms of Canon Law (which is the law of the worldwide Roman Catholic Church) the Congregation of the Daughters of the Cross of Liege is governed at an international level by the Superior General and her General Council (the Generalate). They are elected every six years at a meeting of elected representatives from around the world called a General Chapter. At the 2018 General Chapter a Superior General and four General Councillors were appointed for a six-year term. Two of the Councillors are Sister Mary MacLaughlin and Sister Maureen O'Brien, both of whom are Sisters of the English Province.

15 Structure and governance (continued)

15.1 Legal structure (continued)

The English Province, which covers Communities in England and Ireland, is governed by the Provincial Superior (Sister Veronica Hagen) and her Provincial Council (Sister Annette Clemence, Sister Kathleen O'Reilly, and Sister Anne Kelly). The Provincial Bursar, Sister Mary Geraldine, is appointed by the Provincial Superior and this appointment continues until such time as a change is made. By reason of holding these offices, these five Sisters are the current trustees.

The Worldwide Congregation has Constitutions, approved in Rome, which governs how the Sisters should organise their affairs and live their lives. As well as the English Province, the Congregation has a presence in Belgium, Brazil, Cameroon, Germany, India, Italy, Nepal, and Pakistan.

The Superior General of the Worldwide Congregation and the Provincial Superior of the English Province of the Congregation are the only two members of the company.

15.2 Governance and trustees

The Articles of Association provide that there shall be between three and ten trustees. The number will always include Sisters who are trustees by reason of their respective offices within the English Province of the Congregation. The trustees at 31 March 2023 are shown on pages 1 and 2. They have all lived and worked for many years within one or other of the charity's Works and all have personal experience of the services which the charity offers or has offered to the public.

The charity is unlike most charities in that the trustees devote, along with all the Sisters, their whole lives to the service of the charity and the people it serves. In normal circumstances, in living on the same sites as the Works, by meeting regularly and by visiting the Works and the Communities, the trustees oversee the smooth running of the charity. During the pandemic and subsequent constraints such as reduced access to buildings and beneficiaries, Sisters have had to adapt their oversight activities and stay connected in different ways. New ways of communicating with the lay associates, the employees, the beneficiaries, the volunteers, and all those connected in any way with the charity have also been crucial over the past two years.

The trustees meet six times during the year. Additional meetings are held as circumstances dictate to deal with time-sensitive issues such as changes to bank mandates, leases, etc.

Opportunities are taken to develop and enhance trustees' knowledge and expertise, and during the year they have attended various online conferences, seminars and training sessions on safeguarding, data protection, visas and UK Border Agency, risk and reserves, public benefit, financial governance and general trustee responsibilities.

Trustees reviewed the investment policy, governance arrangements, and refreshed their Essential Trustee knowledge. In particular, trustees have attended an in-depth seminar series held by the Religious Life Safeguarding Service (RLSS) looking at safeguarding issues in the Catholic Church.

15 Structure and governance (continued)

15.2 Governance and trustees (continued)

The Provincial Superior is the voting member of the Conference of Religious in England and Wales to which all Sisters belong, and the Provincial Bursar is a member of the Association of Provincial Bursars. Through these and other such memberships, through attending seminars and conferences, and through newsletters from their advisers and others, trustees keep themselves up to date with changes within Religious Communities and with relevant changing legislation and regulation.

The trustees are aware that regardless of their experience in running the current and former Works of the charity, the environment in which the charity operates continues to evolve and develop, and they do not necessarily possess the full range of business skills required to govern effectively a substantial modern and up to date charity. For this reason, professional advice is extensively sought and relied upon, particularly in the areas of law, finance, accounting, property and investment. The trustees also benefit from the advice of the English Province Finance Advisory Committee, particularly on investments.

The trustees have adopted the Charity Governance Code and they are considering each recommendation as they work their way through the Code. The charity is also registered as a charity in Ireland and is now reporting against the Charities Regulator's governance code, with progress reported at least annually at trustee meetings.

The charity has purchased insurance to protect it from any loss arising from the neglect or defaults of its trustees and officers and to indemnify them against the consequences of any neglect or default on their part. The policy provides cover for up to a maximum of £5,000,000. The charity has also purchased a terrorism and sabotage insurance policy to cover property damage and business interruption at its Central London site.

16 Management

16.1 The Provincial Superior

The day-to-day activities of the charitable company are the responsibility of the Provincial Superior, who delegates the management to the local teams. She speaks to and visits Sisters in their Communities regularly to assist with the many issues arising, e.g. the apostolic work, the Sisters' welfare, property issues and relations/negotiations with others in the local community. She is in contact with members of the management teams and attends meetings regularly, discussing current issues of the day and identifying those decisions which need trustee approval.

16.2 The Communities

At the end of the year, there are now three Communities, two in the UK and one in Ireland.

Each Community has a Sister Superior who has the responsibility for the day-to-day running of the Community. The Sister Superiors are recommended for appointment by the Provincial Superior, then ratified by the Superior General.

16 Management (continued)

16.3 Holy Cross Hospital

At the Hospital, the Provincial Superior appoints a management team. The Sister Superior at our Haslemere Community attends management team meetings. The Superior, currently Sister Kathleen O'Reilly, is also a trustee and acts as a conduit between the management team and the board of trustees.

The Hospital is supported by an Advisory Committee. The members of the Advisory Committees are appointed by the Provincial Superior in consultation with the relevant Sister Superior and the trustees. The Provincial Superior and the Sister Superior are ex-officio members of the committee. The membership therefore comprises trustees, Sisters, and lay people with an expertise in the work or with a relevant specialism. The Advisory Committees' purpose is to advise the Provincial Superior, the Sister Superior and the management team.

The management structure described above allows the management team to run the Hospital within the ethos, framework and strategy set by the trustees. It also allows important issues to be brought to the attention of trustees, enabling them to make the key decisions affecting strategy, policies, the facilities and services provided, and the service quality and delivery. This structure also enables the trustees to inform management of their current thinking and the reasoning for decisions.

16.4 Employees

The charity has always been and remains committed to opposing discrimination in its many forms and strives to be an inclusive employer. To further this commitment, the management teams throughout the charity ensure that recruitment and selection policies avoid direct or indirect discrimination and comply with all relevant legislation. The aim is to ensure that all employees are aware of and understand the charity's equal opportunities policies and are familiar with the legal framework. The only exception to this policy is that for certain designated posts within the organisation, the post-holder has to be a Catholic.

16.5 Key management personnel

The trustees are key management personnel although they are not remunerated. Other key management personnel are the senior officer at Holy Cross Hospital (who has delegated authority to run the Hospital in line with the agreed strategy and within the ethos of The Daughters of the Cross) and the finance manager in the Provincialate Office.

Their pay and remuneration are set by the Provincial Superior with regard to the pay structure in the relevant part of the organisation, in consultation with trustees and appropriate members of the Advisory Committee and with regard to the external market.

17 Related parties

17.1 The Sisters

The Sisters of the Congregation covenant their pension and other income to the charity. They are also beneficiaries of the charity in that the costs of their welfare and activities are met by it. The trustees, including the Provincial Superior and the Provincial Bursar, are all Sisters and no trustee is remunerated for their services. No trustee had any beneficial interest in any contract with the charity.

17 Related parties (continued)

17.2 Generalate of the Congregation

The International Generalate is the base for the Superior General and her Council who, under the structure of a separate registered England & Wales charity (Charity no. 1142490), guide, support and monitor the worldwide activities of the Congregation. The English Province works with the International Generalate to distribute the Worldwide Fund grants to other Daughters of the Cross of Liege Provinces around the world.

17.3 Worldwide Congregation

The charity and the Sisters are part of the Worldwide Congregation of the Daughters of the Cross of Liege. The worldwide Congregation includes Sisters being present in ten countries (UK, Belgium, Brazil, Cameroon, Germany, India, Ireland, Italy, Nepal, Pakistan).

Grants are made to Provinces of the Congregation around the world so that the charitable objects can be fulfilled outside the UK.

Since the year-end, the charity has committed to £2m of support towards the creation of a new health facility in the Kolkata Province of the Daughters of the Cross.

17.4 St Elizabeth's Centre

Two trustees of this charity are also trustees of St Elizabeth's Centre; Sister Veronica Hagen and Sister Josephine Clemence. Another of our Sisters, Sister Patricia Ainsworth, is also a trustee at St Elizabeth's. Until March 2023 three Sisters resided in the Much Hadham Convent, which is situated on the site owned by St Elizabeth's Centre.

Since the year-end the charity has continued to support the Centre during a challenging financial period, with a grant of £2m to help with operational costs as well as investing in the Centre's infrastructure to support areas of future income.

17.5 St Raphael's Hospice

Two trustees of this charity; Sister Veronica Hagen and Sister Kathleen O'Reilly are trustees of St Raphael's Hospice. In 2020, the charity and the Hospice entered into three 20-year lease agreements for the Hospice building, the 759 London Road office, and St Bede's conference centre. All three leases have a nominal rent of £100 per annum.

18 Statement of trustees' responsibilities

The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law 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 charitable company and of the income and expenditure of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently.

18 Statement of trustees' responsibilities (continued)

- ◆ observe the methods and principles in 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 United Kingdom and Republic of Ireland (FRS 102).
- ◆ make judgements and estimates that are reasonable and prudent.
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees confirms that:

- ◆ so far as she is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- ◆ she has taken all the steps that she ought to have taken as a trustee in order to make herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

This Trustees' Report, including the Strategic Report contained therein, has been approved by the trustees at a meeting on 8 November 2023 and it is signed on their behalf by:



Sister Veronica Hagen
Trustee and Provincial Superior

Registration details and principal advisers

Registration details

The Congregation of the Daughters of the Cross of Liege is a charitable company limited by guarantee incorporated in England and Wales and that is its registered name. Registration details are:

- ◆ Charity Registration Number: 1068661
- ◆ Company Registration Number: 3492921
- ◆ Registered Office and Principal Office address: Joseph's Convent, 801 London Road, North Cheam. Surrey. SM3 9AT

Principal advisers

Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Investment managers	BlackRock Investment Management (UK) Limited 12 Throgmorton Avenue London EC2N 2DL Sarasin & Partners LLP Juxon House, 100 St Paul's Churchyard London EC4M 8BU Evelyn Partners 45 Gresham Street London EC2V 7BG
Bankers	The Royal Bank of Scotland plc 250 Bishopsgate London EC2M 4AA
Solicitors	Farrer & Co LLP 66 Lincoln's Inn Fields London WC2A 3LH Mullany Walsh Maxwell 19 Herbert Place Dublin 2 D02 NY72 Ireland

Independent auditor's report to the members of The Congregation of the Daughters of the Cross of Liege

Opinion

We have audited the financial statements of Congregation of the Daughters of the Cross of Liege (the 'charitable company') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 charitable company's affairs as at 31 March 2023 and of 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council'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 charitable company'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 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.

Other information (continued)

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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- ◆ the information given in the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

- ◆ the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- ◆ sufficient accounting records have not been kept; or
- ◆ the 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, the Trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

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 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:

- ◆ making enquiries of management and representatives of those charged with governance as to their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any or unusual or unexpected relationships;
- ◆ performed substantive testing of expenditure including authorization thereof; and
- ◆ tested journal entries to identify unusual transactions.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



22 December 2023

Edward Finch (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Statement of financial activities (incorporating income and expenditure account)
Year to 31 March 2023

	Notes	Unrestricted funds			Total funds 2023 £'000	Total funds 2022 £'000
		General funds £'000	Designated funds £'000	Restricted funds £'000		
Income from:						
Charitable activities	1	7,238	—	—	7,238	6,575
Investments	2	2,702	—	—	2,702	2,796
Donations and legacies	3	672	—	26	698	739
Other income	4	110	—	4	114	112
Total income		10,722	—	30	10,752	10,222
Expenditure on:						
Raising funds	5	814	—	—	814	911
Charitable activities						
Support of members of the Congregation and their ministry	6	3,674	—	—	3,674	3,516
Running Holy Cross Hospital		7,969	—	31	8,000	7,466
Grants and donations		1,951	—	—	1,951	193
		13,594	—	31	13,625	11,175
Total expenditure		14,408	—	31	14,439	12,086
Net expenditure before net (losses) gains on investments		(3,686)	—	(1)	(3,687)	(1,864)
Net (losses) gains on investments	12	(6,111)	—	(81)	(6,192)	5,295
Net (expenditure) income		(9,797)	—	(82)	(9,879)	3,431
Transfers between funds		10,956	(10,956)	—	—	—
Net movement in funds		1,159	(10,956)	(82)	(9,879)	3,431
Reconciliation of funds:						
Total funds brought forward at 1 April 2022		9,540	143,010	1,573	154,123	150,692
Total funds carried forward at 31 March 2023		10,699	132,054	1,491	144,244	154,123

The statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 36 to 52 form part of these financial statements.

Statement of financial activities (incorporating income and expenditure account)
Year to 31 March 2022

	Notes	Unrestricted funds			Total funds 2022 £'000
		General fund £'000	Designated funds £'000	Restricted funds £'000	
<i>Income and expenditure account</i>					
<i>Income from:</i>					
Charitable activities		6,575	—	—	6,575
Investments		2,796	—	—	2,796
Donations and legacies		663	—	76	739
Other income		107	—	5	112
Total income		10,141	—	81	10,222
<i>Expenditure on:</i>					
Raising funds		911	—	—	911
<i>Charitable activities</i>					
Support of members of the Congregation and their ministry		3,516	—	—	3,516
Running Holy Cross Hospital		7,408	—	58	7,466
Grants and donations		193	—	—	193
		11,117	—	58	11,175
Total expenditure		12,028	—	58	12,086
<i>Net (expenditure) income before investment gains and transfers</i>		<i>(1,887)</i>	<i>—</i>	<i>23</i>	<i>(1,864)</i>
<i>Net gains on investments</i>		<i>5,221</i>	<i>—</i>	<i>74</i>	<i>5,295</i>
Net income		3,334	—	97	3,431
<i>Transfers between funds</i>		<i>(238)</i>	<i>295</i>	<i>(57)</i>	<i>—</i>
Net movement in funds		3,096	295	40	3,431
<i>Reconciliation of funds:</i>					
Total funds brought forward at 1 April 2021		6,444	142,715	1,533	150,692
Total funds carried forward at 31 March 2022		9,540	143,010	1,573	154,123

Balance sheet 31 March 2023

	Notes	2023 £'000	2023 £'000	2022 £'000	2022 £'000
Fixed assets					
Tangible assets	10		33,537		32,713
Investments	12		105,780		112,223
Investment property	11		510		478
			<u>139,827</u>		<u>145,414</u>
Current assets					
Debtors	13	525		505	
Cash at bank and in hand		<u>5,484</u>		<u>9,764</u>	
		6,009		10,269	
Creditors: amounts falling due within one year	14	<u>(1,416)</u>		<u>(1,392)</u>	
Net current assets			<u>4,593</u>		<u>8,877</u>
Total assets less current liabilities					
			144,420		154,291
Provisions for liabilities	15		<u>(176)</u>		<u>(168)</u>
Total net assets			<u>144,244</u>		<u>154,123</u>
The funds of the charity:					
Restricted funds	16		1,491		1,573
Unrestricted funds					
. Fixed assets fund	16	33,524		32,659	
. Other	16	<u>98,530</u>		<u>110,351</u>	
		132,054		143,010	
. General fund	16	<u>10,699</u>		<u>9,540</u>	
Total unrestricted funds	16		<u>142,753</u>		<u>152,550</u>
Total charity funds			<u>144,244</u>		<u>154,123</u>

Approved by the trustees of The Congregation of the Daughters of the Cross of Liege, Company Registration Number 03492921 (England and Wales), and signed on their behalf by:

The notes on pages 36 to 52 form part of these financial statements.

V Hagen

Sister Veronica Hagen

Sr. Mary Mc Ginn

Sister Mary McGinn

Date of approval: 8 - November 2023

Statement of cash flows 31 March 2023

	Notes	2023 £'000	2022 £'000
Cash flows from operating activities	A		
Net cash used in operating activities		(5,644)	(3,025)
Cash flows from investing activities			
Dividends, interests and rents from investments		2,702	2,852
Proceeds from the sale of tangible fixed assets		13	7
Purchase of tangible fixed assets		(1,578)	(933)
Proceeds from sale of investments		63,360	27,258
Purchase of investments		(60,627)	(27,949)
Decrease in cash held by investment manager		(1,873)	720
Other movements		(641)	(119)
Net cash provided by investing activities		1,356	1,836
Cash flows from financing activities			
Increase (decrease) in other long term liabilities		8	(2)
Net cash provided by (used in) financing activities		8	(2)
Change in cash and cash equivalents		(4,280)	(1,194)
Cash and cash equivalents at 1 April 2022		9,764	10,958
Cash and cash equivalents at 31 March 2023	B, C	5,484	9,764

The notes on pages 36 to 52 form part of these financial statements.

A. Reconciliation of net expenditure to net cash flow used in operating activities

	2023 £'000	2022 £'000
Net (expenditure) income (as per statement of financial activities)	(9,879)	3,431
Adjustments for:		
Depreciation charge	969	956
Losses (gains) on investments	6,224	(5,287)
Loss on the sale of fixed assets	35	252
(Increase) decrease in debtors	(19)	132
Increase in creditors	24	351
Gains on investment property	(32)	(8)
Investment income	(2,702)	(2,852)
Donated fixed assets	(264)	—
	(5,644)	(3,025)

B. Analysis of cash and cash equivalents

	2023 £'000	2022 £'000
Total cash and cash equivalents – cash	5,484	9,764

Statement of cash flows 31 March 2023

C. Analysis of changes in net debt

	At 1 April 2022 £'000	Cash flows £'000	At 31 March 2023 £'000
Cash at bank and in hand	9,764	(4,280)	5,484

1 Income from charitable activities

	Unrestricted funds 2023 £'000	Total funds 2023 £'000
. Fees and charges – Privately-funded	249	249
. Fees and charges – Publicly-funded	6,989	6,989
	7,238	7,238
	<i>Unrestricted funds 2022 £'000</i>	<i>Total funds 2022 £'000</i>
. Fees and charges – Privately-funded	335	335
. Fees and charges – Publicly-funded	6,239	6,239
	6,574	6,574

2 Investment income

	Unrestricted funds 2023 £'000	Total funds 2023 £'000
UK investments	2,023	2,023
Overseas investments	591	591
Interest receivable	88	88
	2,702	2,702
	<i>Unrestricted funds 2022 £'000</i>	<i>Total funds 2022 £'000</i>
<i>UK investments</i>	2,341	2,341
<i>Overseas investments</i>	437	437
<i>Interest receivable</i>	18	18
	2,796	2,796

3 Income from donations and legacies

	Unrestricted funds 2023 £'000	Restricted funds 2023 £'000	Total funds 2023 £'000
Donations			
Donations	26	20	46
Covenanted income from Sisters of the Congregation – pensions and other income	629	—	629
Legacies	17	6	23
	672	26	698
	<i>Unrestricted funds 2022 £'000</i>	<i>Restricted funds 2022 £'000</i>	<i>Total funds 2022 £'000</i>
<i>Donations</i>			
<i>Donations</i>	53	—	53
<i>Covenanted income from Sisters of the Congregation – pensions and other income</i>	610	—	610
<i>Legacies</i>	—	76	76
	663	76	739

4 Other incoming resources

	Unrestricted funds 2023 £'000	Restricted funds 2023 £'000	Total funds 2023 £'000
Property	86	—	86
Sale of fixed assets	13	—	13
Other income	11	4	15
	110	4	114
	<i>Unrestricted funds 2022 £'000</i>	<i>Restricted funds 2022 £'000</i>	<i>Total funds 2022 £'000</i>
<i>Property</i>	56	—	56
<i>Other income</i>	51	5	56
	107	5	112

5 Expenditure on raising funds

	Unrestricted funds 2023 £'000	Total funds 2023 £'000
Investment management costs	542	542
Support costs	272	272
	814	814

5 Expenditure on raising funds (continued)

	<i>Unrestricted funds 2022 £'000</i>	<i>Total funds 2022 £'000</i>
<i>Investment management costs</i>	538	538
<i>Support costs</i>	373	373
	<u>911</u>	<u>911</u>

6 Analysis of expenditure on charitable activities

Summary by expenditure type

	Staff costs 2023 £'000	Non-staff costs 2023 £'000	Support costs 2023 £'000	Total 2023 £'000
Support of Members	977	1,366	1,331	3,674
Holy Cross Hospital	5,846	2,034	120	8,000
Grants and Donations	—	1,951	—	1,951
	<u>6,823</u>	<u>5,351</u>	<u>1,451</u>	<u>13,625</u>

	<i>Staff costs 2022 £'000</i>	<i>Non-staff costs 2022 £'000</i>	<i>Support costs 2022 £'000</i>	<i>Total 2022 £'000</i>
<i>Support of Members</i>	879	1,844	793	3,516
<i>Holy Cross Hospital</i>	5,144	2,173	149	7,466
<i>Grants and Donations</i>	—	193	—	193
	<u>6,023</u>	<u>4,210</u>	<u>942</u>	<u>11,175</u>

Net (expenditure) income for the year is stated after charging (crediting):

	2023 £'000	2022 £'000
Depreciation	969	956
(Profit) loss on disposal of tangible fixed assets	(13)	252
Gain on investment property	(32)	(8)
Auditors' total remuneration	98	109
Grants and donations	<u>1,951</u>	<u>193</u>

Of the grants and donations paid, £1.75m was to St Elizabeth's Centre (2022 - £Nil) and £165,000 was to the worldwide congregation (2022 - £146,000).

7 Support costs

	Governance 2023 £'000	Other 2023 £'000	2023 £'000
Staff costs	34	221	255
Professional fees	112	697	809
Property costs	—	219	219
Other costs	78	362	440
Total support costs	224	1,499	1,723
	<i>Governance</i> 2022 £'000	<i>Other</i> 2022 £'000	2022 £'000
<i>Staff costs</i>	<i>31</i>	<i>174</i>	<i>205</i>
<i>Professional fees</i>	<i>143</i>	<i>517</i>	<i>660</i>
<i>Property costs</i>	<i>—</i>	<i>158</i>	<i>158</i>
<i>Other costs</i>	<i>5</i>	<i>287</i>	<i>292</i>
Total support costs	179	1,136	1,315
		2023 £'000	2022 £'000
Attributed to the following activities:			
. Raising funds (note 5)		272	373
. Charitable activities (note 6)		1,451	942
		1,723	1,315

All costs relating to a particular activity are treated as costs of that activity. Support costs, which include governance costs, are the central costs incurred predominantly within the Province which support the charity's activities and deal with its governance arrangements. Where costs specifically relate to an activity, they are allocated to that activity. General support costs are allocated to the activities on the basis of the cost and time spent on each of them.

The trustees are Sisters of the Congregation and they are not remunerated for their work as trustees. The governance of the charity is dealt with by the trustees acting, where appropriate, after considering the advice of their professional advisers and with the assistance of the Senior Management Teams.

Trustees are, as are all Sisters, beneficiaries of and donors to, the charity and the charity meets the costs of their ministry and welfare. In the case of trustees, their costs include expenses incurred when they are fulfilling their trustee duties for which an allocation of costs is made.

Professional fees include payments to the charity's auditors for audit fees of £49,000 (2022 – £46,000), which are included in Governance. Fees paid to the charity's auditor for other services, which all relate to taxation, governance, and general financial advice and are included in support costs, amount to £49,000 (2022 – £63,000). The total amount paid to the auditors was £98,000 (2022 – £109,000).

8 Staff costs

	2023 £'000	2022 £'000
Wages and salaries	5,846	5,226
Social security costs	681	561
Contribution to defined contribution pension schemes	177	164
	<u>6,704</u>	<u>5,951</u>
Agency costs	213	273
Termination payments	158	—
Other costs	262	4
	<u>7,337</u>	<u>6,228</u>

The average number of persons employed by the charity during the year was as follows:

	2023 No.	2022 No.
Full time equivalent numbers of staff	169	169

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2023 No.	2022 No.
In the band £60,001 - £70,000	9	8
In the band £70,001 - £80,000	3	1
In the band £80,001 - £90,000	3	1
In the band £90,001 - £100,000	—	1

Details of the pension contributions for those earning £60,000 per annum or more are shown below:

	2023		2022	
	Number	£'000	Number	£'000
Defined contribution schemes	15	37	11	23

The trustees are key management personnel of the charity; they are not remunerated as trustees but they are beneficiaries of the charity in that their welfare and work is funded by it. The cost of the support of all Sisters is disclosed elsewhere.

The Senior Officer at Holy Cross Hospital has delegated authority to run the Work in line with the agreed strategy and within the ethos and charism of The Daughters of the Cross. They are therefore also regarded as key management personnel, along with the Provincialate Finance Manager. The total employee benefits of this group, including pension contributions amounted to £122,051 (2022 – £185,659), which together with National Insurance Contributions of £15,147 (2022 – £21,373) brings the total cost of employment of key management personnel to £137,198 (2022 – £207,032).

9 Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022 – £nil).

During the year ended 31 March 2023, no Trustee expenses have been incurred (2022 – £nil).

10 Tangible fixed assets

	Freehold & leasehold land and buildings £'000	Assets in course of construction £'000	Medical Computer and office equipment £'000	Motor vehicles £'000	Total £'000
Cost or valuation					
At 1 April 2022	36,767	193	4,516	192	41,668
Additions	470	1,255	116	—	1,841
Disposals	(60)	—	(85)	(36)	(181)
Transfers between classes	52	(52)	—	—	—
At 31 March 2023	37,229	1,396	4,547	156	43,328
Depreciation					
At 1 April 2022	5,696	—	3,130	129	8,955
Charge for the year	756	—	190	23	969
On disposals	(12)	—	(85)	(36)	(133)
At 31 March 2023	6,440	—	3,235	116	9,791
Net book value					
At 31 March 2023	30,789	1,396	1,312	40	33,537
At 31 March 2022	31,071	193	1,386	63	32,713

Included within freehold land and buildings are amounts for land a deemed cost of £10.0m (2022 – £10.0m) which has not been depreciated.

Under the transitional arrangements set out in FRS 102, the charity elected to treat property valuations prior to 1 April 2014 as their deemed cost at that date. Valuations were performed by a qualified external valuer, in accordance with the requirements of the RICS Valuation Standards and FRS 102. Subsequent additions are stated at cost.

11 Investment property

	Freehold investment property £'000
Valuation	
At 1 April 2022	478
Surplus on revaluation	32
At 31 March 2023	510

11 Investment property (continued)

The values of investment properties are wholly based on valuations by independent valuers. An update valuation report was carried out by chartered surveyors, Weldon Beesly LLP, to determine the market value of the freehold agricultural grazing land in Much Hadham, Hertfordshire, following a full valuation report in 2021. The land leased to the operator of the transmission mast was valued in 2023. The basis of valuation was market value and is based on a formal valuation carried out by Reeves and Partners Chartered Surveyors in 2014, adjusted for subsequent changes in the rental market.

12 Fixed asset investments

	2023 £'000	2022 £'000
Market value at 1 April	112,223	104,345
Additions at cost	63,630	27,949
Sale proceeds	(60,627)	(27,258)
Investment (losses) gains	(13,113)	5,406
Investment cash	3,667	1,781
Market value at 31 March	105,780	112,223

Historical cost of investments at 31 March 2023 £93,852k (2022 – £91,434k).

Losses and gains on investments recognised in the statement of financial activities are made up as follows:

	2023 £'000	2022 £'000
Gains on investments	(5,633)	5,340
Investment gains allocated to others	81	74
Other movements	(640)	(119)
(Losses) gains on investments per SOFA	(6,192)	5,295

a) Investments

	2023 £'000	2022 £'000
Listed investments		
. Pooled funds	36,547	43,643
. Other	64,991	65,485
Unlisted shares		
. Pooled funds	17	609
. Other	558	705
Cash held for reinvestment	3,667	1,781
	105,780	112,223

The historical cost of investments at 31 March 2023 was £93.8m (2022 – £91.4m). Shares, bonds, investment funds (including unit trusts), and other asset types relating to companies listed on a UK stock exchange or incorporated in the UK are treated as investments in the UK. Investments in overseas-based companies and other non-UK-based assets and investment funds are treated as being overseas.

12 Fixed asset investments (continued)

a) Investments (continued)

Whilst there are significant investments in common investment funds and other collective investment vehicles, there are no investments in individual companies or entities which the trustees would regard as material.

13 Debtors

	2023 £'000	2022 £'000
Due within one year		
Trade debtors	338	364
Other debtors	17	26
Prepayments and accrued income	170	115
	525	505

14 Creditors: Amounts falling due within one year

	2023 £'000	2022 £'000
Trade creditors	166	207
Other taxation and social security	137	125
Other creditors	554	575
Accruals and deferred income	559	485
	1,416	1,392

15 Provisions

	£'000
At 1 April 2022	168
Movement in year	8
	176

The provision for compensation is an amount set aside, originally to meet the charity's potential contribution to the Residential Institutions Redress Board (RIRB) established in Ireland to make compensation awards to people who, as children, were abused while resident in schools and other institutions subject to state regulation or inspection, as well as High Court claims that did not meet the criteria for claiming through RIRB. The Redress scheme is now closed for applications, so the provision is held to meet any claims made through the High Court. A review carried out in 2021 in conjunction with our legal advisors in Ireland set the provision at €200,000. The change during the year is due to exchange rate movements.

16 Statement of funds

	Balance at 1 April 2022 £'000	Income £'000	Expenditure £'000	Transfers in/out £'000	Gains (losses) £'000	Balance at 31 March 2023 £'000
Current year						
Unrestricted funds						
Designated funds						
Fixed asset fund	32,659	—	—	865	—	33,524
Daughters of the Cross fund	45,000	—	—	(2,000)	—	43,000
Charitable activities fund	23,200	—	—	(12,402)	—	10,798
Provincialate fund	31,000	—	—	3,000	—	34,000
St Raphael's Hospice fund	2,700	—	—	—	—	2,700
Worldwide fund	8,451	—	—	(419)	—	8,032
	<u>143,010</u>	<u>—</u>	<u>—</u>	<u>(10,956)</u>	<u>—</u>	<u>132,054</u>
General funds						
General funds – all funds	9,540	10,722	(14,408)	10,956	(6,111)	10,699
Total unrestricted funds	<u>152,550</u>	<u>10,722</u>	<u>(14,408)</u>	<u>—</u>	<u>(6,111)</u>	<u>142,753</u>
Restricted funds						
Hydrotherapy centre	1,523	—	—	—	(81)	1,442
Amenities fund	50	30	(31)	—	—	49
	<u>1,573</u>	<u>30</u>	<u>(31)</u>	<u>—</u>	<u>(81)</u>	<u>1,491</u>
Total funds	<u>154,123</u>	<u>10,752</u>	<u>(14,439)</u>	<u>—</u>	<u>(6,192)</u>	<u>144,244</u>

The designated funds have been set aside for specific purposes by the trustees out of unrestricted funds, although they may ultimately use such funds for other purposes. It is a policy that income and expenditure either relates to restricted or unrestricted general funds, thus there is no income or expenditure on designated funds. Designated funds are determined by trustees at the end of the year and the increases or decreases are reflected as transfers from unrestricted general funds.

◆ **Fixed asset fund**

The tangible fixed assets, of which property forms the major part, are of fundamental importance to the charity and without them the charity would be unable to fulfil any of its charitable objectives. The value of the assets is therefore not readily realisable and, to reflect that, their net book value has been established as a designated fund.

◆ **Daughters of the Cross fund**

This fund is established to ensure the care and support needs of the Sisters is sufficiently met over the course of their lives. The Sisters have carried out the charitable activities of the charity over many decades, so it is essential, as part of the charity's mission, that these Sisters are cared for both during and after they carry out their ministries. The fund is invested for the long-term with the current intention that only the income is spent. This income meets the shortfall of the Sisters' covenanted income over the costs of their welfare, their apostolic activities and the costs of the care of the frail and elderly members. The fund value was slightly decreased this year, from £45m to £43m. The calculation is based upon expected investment income yields in the current post-Covid, high-inflationary economic conditions. The £43m fund allows for sufficient income to be generated to meet the shortfall between Sisters' income and expenditure. In due course, as the number of UK Sisters declines, investment returns may be able to be used to support the former Works and to support the work and welfare of Sisters in the other Provinces around the world.

16 Statement of funds (continued)

- ◆ Charitable activities fund
This fund has been established to help secure the future needs of the charity's current and former Works' and the long-term accommodation and other needs of the Sisters (separate from the day-to-day living costs planned for in the Daughters of the Cross designated fund described above) and is represented by fixed asset investments. The funds are expected to be utilised in the medium to long-term to secure the Works' futures, however some commitments have a much shorter time horizon and so the proportion of the fund held in cash deposits is available for commitments in the coming 12-24 months.
- ◆ Provincialate fund
The Provincialate office of the charity incurs running costs each year, which are met from investment income. For the foreseeable future the office will be required to support the Sisters and to be the central administration function of the whole charity. In order to meet these ongoing running costs, this fund has been established to provide the necessary income. The fund remains at the same level as the previous year. To cover the full cost of the central office functions with the income generated by the investments, a much bigger fund would need to be created.
- ◆ St Raphael's Hospice fund
The St Raphael's Hospice fund was set up with a total of £6.3m which included the £3.6m that was paid to the Hospice upon separation in 2020. The remaining £2.7m balance as at 31 March 2023 may be utilised by the Hospice in the medium term to develop the buildings and infrastructure, and is held as a contingency against medium-term performance against thirteen strands of the 5-year business plan.
- ◆ Worldwide fund
This fund is to provide grants to enhance or develop the work of the Worldwide Congregation, as agreed with the Superior General and her Council. The fund is made up of investment assets and distributes 85% of its net income as grants to overseas Provinces of the Worldwide Congregation. The fund is to be held in the long-term to provide ongoing support to developing the Sisters' work around the world.

Restricted funds

- ◆ Hydrotherapy centre
This represents part of a legacy which had to be used at Holy Cross Hospital and is therefore restricted. The legacy was partly used to build a hydrotherapy facility and these were released to unrestricted funds. The remainder (being the restricted fund) was invested to generate an income to help meet the running costs of the facility.
- ◆ Amenities fund
This fund represents monies donated to support patients and staff activities, and patient amenities. The fund supports the running of the ambulances used to transport patients, and the cost of social activities and outings for patients. This includes the costs associated with the off-site cottage in Selsey that's used by patients as part of their care.

17 Analysis of net assets between funds

	General Funds 2023 £'000	Designated funds 2023 £'000	Restricted funds 2023 £'000	Total funds 2023 £'000
Tangible fixed assets	13	33,524	—	33,537
Fixed asset investments	6,318	98,530	1,442	106,290
Net current assets	4,544	—	49	4,593
Provisions for liabilities and charges	(176)	—	—	(176)
	10,699	132,054	1,491	144,244

18 Contingent asset

Several years ago the charity paid a proportion of the estimated buy-out total requirement into the St Elizabeth's Centre Final Salary Pension Scheme, in order to facilitate a buy-out of the Scheme by an insurance provider. Subsequently, the charity was informed by the Scheme Trustee that the amount paid was greater than the total sum required by the insurer for the Scheme to be bought out. The charity's position is the surplus amount should be returned to the charity. The charity received a payment on account of £152,000, in May 2023. There are several more steps in the process before the Scheme is wound up, all amounts are settled, and the charity's financial exposure ceases. The remaining amount due is subject to the finalisation of costs of the negotiations and the winding-up process, which must be met from the Scheme.

19 Related party transactions***Sisters***

The Sisters of the Congregation are beneficiaries of the charity, in that the costs of their ministry and welfare are met by the charity. The trustees are all Sisters and they are not remunerated for their services. No trustee had any beneficial interest in any contract with the charity.

The trustees, as Sisters of the Congregation, covenant their pensions and other income to the charity. During the year the six trustees covenanted an aggregate of £114,101 to the charity (2022 – £115,055).

International Generalate

Until September 2021, The International Generalate occupied St Joseph's Convent in Cheam, Surrey and paid a nominal annual rent to the English Province. The lease was terminated when the Generalate relocated to Rome in September 2021.

Worldwide Congregation

The Sisters are members of the worldwide Congregation of the Daughters of the Cross of Liege and the charity has objects which are not restricted to the UK. Total grants of £165,000 (2022 – £146,000) were made during the year to the worldwide Congregation. Grants were made for projects in Rourkela (India), Nepal and Cameroon. Since the year end, the trustees agreed a donation of £2m for Kolkata.

19 Related party transactions (continued)

St Raphael's Hospice

Two trustees of this charity; Sister Veronica Hagen and Sister Kathleen O'Reilly are trustees of the St Raphael's Hospice charity. On 1 November 2020, this charity and the Hospice entered into three 20-year lease agreements for the Hospice building, the 759 London Road office, and St Bede's conference centre. All three leases have a nominal rent of £100 per annum.

St Elizabeth's Centre

Two trustees of the Daughters of the Cross are trustees of St Elizabeth's Centre; Sister Veronica Hagen and Sister Josephine Clemence. During the year, this charity paid a grant of £1,750,000 (2022 - £nil) to St Elizabeth's Centre to assist with exceptional staffing costs. Since the year end, the trustees agreed a donation of £2m to St Elizabeth's Centre.

20 Capital commitments

As at 31 March 2023 the charity had commitments of £317,000 (2022 – £140,000) for projects at Cheam and Haslemere.

21 Pension commitments

The Works contribute to pension schemes, providing pensions under both defined benefit and defined contribution arrangements.

The assets of the funded schemes are held independently of the charity's finances.

Details of the contributions are as follows:

Name	Type of Scheme	Administrator	Contributions in year	
			2023 £'000	2022 £'000
Holy Cross Hospital	Defined benefit	NHS Pension	8	13
Holy Cross Hospital	Defined contribution	The People's Pension	138	121
Province	Defined contribution	The People's Pension	20	19
Non-scheme contributions			11	11
			177	164

National Health Service (NHS) Pension Scheme

The NHS pension scheme is a defined benefit scheme operated by the National Health Service Superannuation Scheme. The administration of the scheme is dealt with by the National Health Service Pension agencies. The charity is unable to identify its share of the underlying assets of the scheme. Accordingly, it has accounted for its contributions as if it were a defined contribution scheme. Contributions to this scheme are paid in respect of current service. There is no liability to the charity in respect of past service.

22 Post balance sheet events

Other than donations disclosed in note 19, there are no post balance sheet events that require disclosure.

23 Scope

The financial statements disclose the financial position and results of the charitable company, which incorporate and aggregate the results of the Province and Holy Cross Hospital, Haslemere, Surrey.

As at 31 March 2023, the five existing Communities were: Cheam St Mary's, Surrey; Chelsea, London; Haslemere, Surrey; Much Hadham, Hertfordshire; Stillorgan (Dublin), Ireland.

24 Accounting policies

Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Congregation of the Daughters of the Cross of Leige meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

Critical accounting estimates and areas of judgement

The trustees consider that the judgements they have made in the process of applying the charity's accounting policies which give rise to significant effects on the amounts recognised in the financial statements are:

- ◆ The estimated useful lives of fixed assets and therefore the rates of depreciation;
- ◆ The future commitments and other obligations that are used to establish the value of designated funds; and
- ◆ The fair value of listed and unlisted investments.

The trustees do not consider that there are any key assumptions concerning the future, or any other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Going concern status

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements and they have made this assessment in respect of a period of one year from the date of approval of these financial statements.

The trustees are confident that the charity has, and will continue to have, sufficient resources to meet its liabilities as they become due. The trustees have concluded that there are no material uncertainties related to events or conditions that would cast significant doubt on the ability of the charity to continue as a going concern. This is because they believe they have sufficient unrestricted reserves to withstand any temporary drop in income or any additional unexpected liability.

24 Accounting policies (continued)

Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

At the end of any financial year, the charity will have issued invoices to local authorities, health authorities, and individuals which cover a period beyond the balance sheet date. This income is carried forward and disclosed as "Income received in advance".

In accordance with the Charities SORP FRS 102, no financial valuation of volunteer time is recognised in these financial statements.

Donations represent income given by individuals, corporations and trusts including recoverable taxation.

Legacies are included in the statement of financial activities when there has been a grant of probate, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the charity.

Covenanted income from the Sisters of the Congregation arises from the donation of their pensions and other income.

Grants receivable are accounted for in the period in which they fall due. Grants from the government and other agencies are included as income from charitable activities where they amount to a contract for services, and as donations where the money is given in response to a fundraising appeal or with greater freedom of use.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

Income from charitable activities

- ◆ Fees and charges are derived from individuals and Public Authorities and are stated exclusive of VAT.
- ◆ Other income represents proceeds from the sale of food and sundry other income.

Investment income

Investment income, representing dividends, interest, and income from property, includes any associated tax recoverable. Dividends are recognised once the dividend has been declared and when the right to receive the dividend payment is irrevocable.

24 Accounting policies (continued)

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost or valuation, less accumulated depreciation and, where appropriate, impairment provisions. All assets costing £5,000 or more, and with an expected useful life exceeding one year, are capitalised. A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of any fixed asset may not be recoverable.

The majority of freehold land and buildings under the total control of the trustees and in use within the charity were valued at 31 March 2014 on a depreciated replacement cost or an existing use basis. Under the transitional arrangements set out in FRS 102, the valuations are deemed to be equal to cost at the date of transition. Subsequent additions are stated at cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	2-5% on cost or revalued amounts
Leasehold property	over the period of the lease
Motor vehicles	10-25% on cost
Medical, computer and office equipment	4-33% on cost

24 Accounting policies (continued)

Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Liabilities

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Pensions

◆ *Defined benefit schemes*

The charity contributed to one defined benefit pension scheme, the NHS Pension Scheme, providing benefits based on either final or career-average pensionable salary, depending on the scheme. The National Health Service Superannuation Scheme is a multi-employer defined benefit scheme and is an unfunded scheme. As it is not possible to identify the share of the underlying assets and liabilities belonging to individual participating employers, the contributions to the scheme are recognised in the statement of financial activities so as to spread the cost of pensions over employees' working lives.

24 Accounting policies (continued)

◆ *Defined contribution schemes*

The charity operates a number of defined contribution pension schemes. The amounts charged to the statement of financial activities represents the employers' contributions payable to the schemes in the year.

Fund accounting

The general fund represents unrestricted and undesignated monies used to fund working capital and which the trustees may use at their discretion in furtherance of the charity's objects.

Designated funds are those funds earmarked by the trustees for a specific purpose. They are unrestricted, and the trustees may ultimately use such funds for other purposes. Any income, gains or losses on the assets underlying the designated funds form part of general unrestricted funds.

The funds represented by the net book value of fixed assets are treated as designated funds.

The restricted funds are funds which have been raised for a specific purpose or which are subject to restrictions on their use and include those funds which have to be spent at a particular Work. Restricted funds raised for capital expenditure are released to unrestricted funds once they have been spent. Any income, gains or losses arising from the assets underlying the restricted funds form part of restricted funds.

THE CONGREGATION OF THE DAUGHTERS OF THE CROSS OF LIEGE

England & Wales - Charity number 1068661

Accounts

**The Congregation
of the Daughters
of the Cross
of Liege**

**Annual Report and Financial
Statements**

31 March 2022

Company Registration Number: 03492921

Charity Registration Number: 1068661

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1 Summary of activities

The activities of the charity during the year under review can be considered under two headings.

◆ The ministry of the Sisters

- ◆ Healthcare provided at Holy Cross Hospital, Haslemere, Surrey
Hospital for the treatment of neurological disability and similar long-term conditions

Senior Officer: Ross White (resigned 31 August 2022); Chris Hinton (appointed 5 September 2022)

Website: holycross.org.uk.

The Hospital has 40 beds, over 50 in-patient beneficiaries, 144 employees and 23 volunteers.

The activities of the Sisters are supported by a small central staff who deal with statutory and charity-wide matters, including monitoring the investments and funding Sisters' Communities. The central administration also encompasses the lay staff caring and providing house-keeping for elderly Sisters in Haslemere, Chelsea, Cheam, and Stillorgan, Ireland.

Our finances

	2022	2021
Total expenditure	£12.0m	£17.0m
Total income	£10.2m	£13.8m
Net Income (expenditure)	£(1.9m)	£(3.3m)

These amounts are achieved before investment and other gains and losses and for 2021, before the transfer of the St Raphael's Hospice.

Our people

	2022	2021
Total staff costs	£6.2m	£8.6m
Employees	186	278
Volunteers	23	272
Sisters	35	41

2 Trustees

The trustees who served during the year are:

Sister Veronica Hagen

Chair and Chief Executive of the Charity

Provincial Superior and Chair of the Provincial Council

Sister Mary McGinn (aka Sister Mary Geraldine)

Provincial Bursar

Sister Annette Clemence*

Sister Anne Kelly*

Sister Maureen O'Brien* (resigned 11 September 2021)

Sister Kathleen O'Reilly*

* Members of the Provincial Council

Trustees' thanks

None of the charity's work could be achieved without the dedicated loyalty of all the staff employed by the charity, the efforts of all the full-time and part-time volunteers 23 (2021 - 272), the commitment and effort of the 35 Sisters in the Province (2021 – 41 Sisters) or without the continuing generosity of its donors and supporters. The trustees are also extremely appreciative of all the members of the Advisory Committees who contribute to the charity's work by devoting their time and expertise.

To all these groups, the trustees offer their grateful thanks and their prayers.

Strategic Report

3 Introduction

The trustees are pleased to present their report, together with the financial statements of The Congregation of the Daughters of the Cross of Liege, for the year ended 31 March 2022. The trustees' report, including the strategic report, has been prepared in accordance with Part 8 of the Charities Act 2011 and also constitutes a directors' report for the purposes of the Companies Act 2006.

The financial statements are presented in accordance with the accounting policies on pages 55 to 60 and comply with the requirements of the Charities Act 2011, the Companies Act 2006, the charity's Memorandum and Articles of Association, applicable laws, United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice), and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP FRS 102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

4 Charity's aim and objects

The aim of the charity is to provide a legal framework in the UK for the Sisters to follow their calling and to meet the obligations set out in their own Constitution.

In February 1782, in Liege, Belgium, Jeanne Haze was born. As a result of the French Revolution, Jeanne and her family were exiled in Germany, during which time her father died. Jeanne was conscious of her vocation early in her life and was drawn to helping those most in need. On 8th September 1833 Jeanne, and her sister, Ferdinande, made their perpetual vows. The two sisters were joined by other young women wishing to lead a religious life. Jeanne received the name Mother Marie Therese, with Ferdinande receiving the name Mother Aloysia. Along with Sisters Clara and Constance, and two postulants, the Congregation of the Daughters of the Cross was born. This small community of Sisters responded whenever they could to the needs of the people around them, nursing the sick in their own homes, caring for women prisoners, teaching children by day and adults in the evening.

Blessed Marie Therese was beatified on 21st April 1991. She died on 7th January 1876, by which time she had received more than 900 Sisters into the Congregation and founded 51 communities. These communities were spread across Europe and Asia; Germany (founded in 1849), India (1861), and England (1863), when the English Province was established. In 1910 the Sisters' work was given a more formal framework under a trust deed and in 1998 the activities were transferred to a charitable company limited by guarantee, the objects being based on their Constitution. The charity is established to:

- advance religion, by establishing and maintaining residencies for the Sisters of the Congregation.
- advance religion, advance education and relieve poverty and suffering, by direct activity in the community and by all other charitable means, including giving alms to the needy.
- relieve poverty and suffering, by establishing and maintaining hospitals, hospices, nursing homes and residential homes for the sick, elderly and needy.
- advance education, by establishing and maintaining educational institutions in accordance with Canon 803 of the Code of Canon Law.
- carry out any other charitable purpose for the benefit of the community as the trustees shall from time to time determine.

For the Sisters, Religion is the commitment to love and serve God as expressed in their vows and is and always has been the centre of their lives and everything they do. Thus, to them, Religion is not just about worship and prayer but encompasses, among other things, teaching and caring for others. To quote from the Sisters' Religious Constitution "They serve Christ in the works of general and special education, the care of the sick and the aged, abandoned children, the physically, psychologically and mentally challenged, the socially deprived, local pastoral work and the various needs of the Church". The Sisters do not see the above objects as separate activities but as all part of the one Religious life they have chosen.

The Religious commitment of the Sisters permeates all of the charitable activity carried out in the name of the Province and the charity.

5 Strategic plans and objectives

The trustees are continuing to work on their strategic objective of resolving the long-term futures for:

- The Sisters, including where and how they live and are supported and cared for;
- Holy Cross Hospital, as eventually there will be an insufficient number of Sisters with the appropriate skills to continue to be responsible for the Hospital, whose activities are complex and heavily regulated.

Supporting these longer-term strategic plans, are the objectives of the charity;

- Ensure that the senior management of the charity have the required capacity and capability to run the day-to-day operations of the charity in line with their set objectives, including meeting or exceeding all regulatory standards.
- Ensure that the Sisters have the means to enable them to live their lives as spiritually and actively as possible.
- Provide healthy and safe environments for Sisters, beneficiaries, staff, volunteers, and visitors.

- Provide services that are complimentary to those available locally through the NHS and to do so in co-operation with statutory authorities and other healthcare professionals.
- Continue to develop services in neuro-disability and associated rehabilitation of physically disabled adults by increasing the knowledge and expertise of staff, collaborating with the NHS and other professionals and by improving facilities.
- Operate the physiotherapy centre as a service to local people, offering high quality and accessible physiotherapy services and classes.
- Provide comprehensive training programmes for staff and make these available as appropriate to other local care providers and agency staff.
- Maintain the ethos of the Congregation across all areas of the charity.

6 Activities, performance and achievements in the year

Sisters' and Provincialate objectives and activities:

The activities of the Sisters and the central office are referred to in this report as 'The Province', as a collective term for their combined activities. Holy Cross Hospital and the activities that take place there, are described separately, as the two parts of the charity operate quite differently, on a day-to-day basis.

The objectives for the Province for 2021/22 were:

To complete the major building works on our Cheam site

These projects all suffered delays due to the Covid-19 lockdowns and associated delays within council planning departments and global supply chains. The St Ann's ground floor redevelopment was substantially completed by March 2022, but the other projects are all still at various stages of progress as at the balance sheet date.

To review the long-term plans for Sisters' residences

These plans are still in their infancy, largely due to delays with the various property projects described above. This work rolls on into next year.

To complete the move of the Province central office into the St Joseph's building in Cheam

The central office is still located in the St Wilfrid's building at the end of this financial year. Delays to IT infrastructure as well as the large undertaking that is moving out of such a large building, has meant this move will now take place during the 2022/23 year.

To resolve the future of St Wilfrid's, the charity's London-based HQ and convent

The property was placed on the open market after the year-end and has attracted considerable interest from potential purchasers. Bids are expected later in 2022 and trustees will work alongside the appointed advisers to ensure a successful sale.

To fund the redevelopment project at Holy Cross Hospital

The scope of this project changed during the course of the year, as a result of current external market pressures the Hospital is subject to. As a result of the large revision to the project, the start of the work was delayed, although some costs were incurred during the year. This project will carry on throughout 2022/23.

The main activities of the Province are:

- the welfare of the frail and elderly Sisters;
- the individual ministeries of the Sisters
- the support of Holy Cross Hospital;
- the support of the former Works of the charity; and
- the support of the Worldwide Congregation.

The Province continues to have a presence in England and Ireland. The Sisters continue to fulfil the objectives of their Religious Constitutions, which are further reflected in the charitable company's Memorandum and Articles of Association.

The Sisters are trustees, part of management, donors, and beneficiaries. The trustees, like all our Sisters, covenant their pensions and other income to the charity. Having taken a vow of poverty they have no financial resources of their own and they are provided for by the charity as beneficiaries. The Sisters have spent their entire working lives in one or other of the past or present Works and when they reach their later years the charity continues to care for them. As Sisters age, the care and support they require in their Communities is gradually increasing.

The Sisters continue to fulfil the objects set out in both their Religious Constitutions and in the charitable company's Memorandum and Articles of Association, despite the advancing age and frailty of some of the members. The Sisters provide in-house facilities in England and Ireland to meet the need of their growing number of very frail and sick members, who need full time care.

Several of our Sisters are trustees of other charities (where they act as individuals, not on behalf of the Province). Sister Annette Clemence, Sister Pat Ainsworth, and Sister Veronica Hagen are trustees at St Elizabeth's Centre. As well as being trustees, the Sisters have roles as school governors (Sister Annette and Sister Pat), a college governor (Sister Annette), and a member of the healthcare quality committee (Sister Veronica). Sister Veronica and Sister Kathleen O'Reilly are trustees of St Raphael's Hospice. Sister Kathleen is also a member of the finance committee at the Hospice. Five sisters serve as Trustees for our own charity. A sister is appointed to support each of the groups of lay people, who are associate members of the Daughters of the Cross. These groups are based in Cheam, Carshalton, Much Hadham, Jarrow, Dublin (Ireland), and Tracey (California).

The Provincial Superior and Provincial Bursar are members of Conference of Religious in England and Wales and the Association of Provincial Bursars respectively and participated in the Annual Conferences in 2021. Sisters are members of the Association of Senior Religious JPIC. During the year, the Province subscribed to membership of the Religious Life Safeguarding Service (RLSS) and the Catholic Safeguarding Standards Agency (CSSA) and are in the process of refreshing our own safeguarding procedures.

The Province has two dedicated Care Communities to support the full-time care needs of 14 frail elderly members. This enables these Sisters to continue to participate in the spiritual rhythm and companionship of community life.

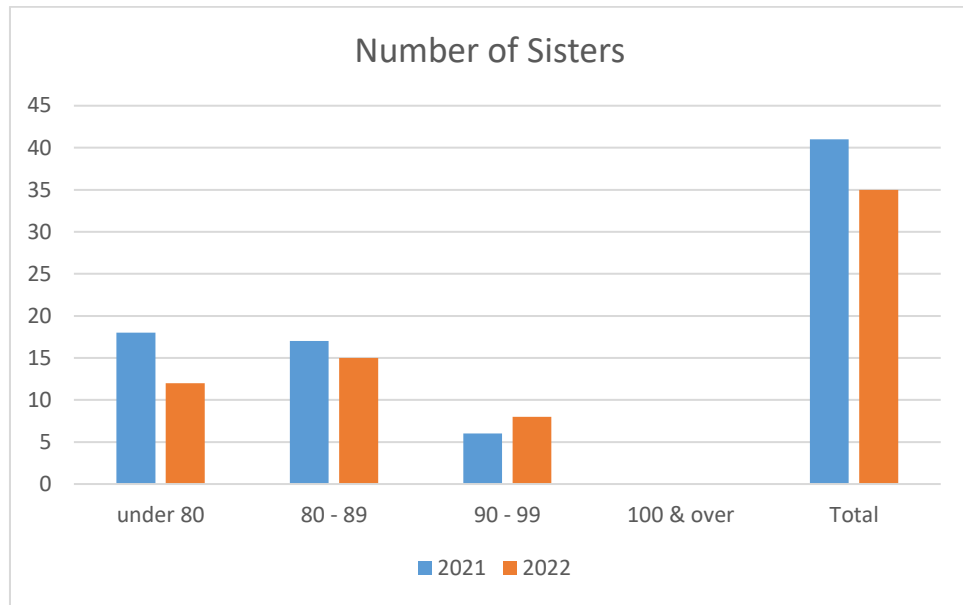
Currently, no Sisters are in paid employment. With expert advice, the Sisters manage the income and reserves of the Province in a socially and environmentally responsible manner, to ensure we can support our commitments both at home and abroad.

Each Sister is supported in their chosen ways of volunteering in their neighbourhood. Examples are organising chaplaincy support, offering spiritual and/or pastoral companionship to pupils, patients, staff and relatives within our own hospital (Holy Cross), or in our previously owned services that are now independent charities. Sisters are also active on Parish committees and in ecumenical activities, particularly those helping homeless people or those on low incomes. The Province continues to support a charity that supports victims of human trafficking.

Some examples of mission work carried out by Sisters during the year include working as a volunteer befriender through the Marie Curie charity to support people living with cancer; working with ResultsUK on campaigns around nutrition in developing countries, creating the political will to end poverty, 'giving a voice to the voiceless', and supporting asylum seekers coming to the UK. One Sister has chaired the organising committee at JPIC (Justice, Peace, and Integrity of Creation), written articles on vaccine inequality, TB, tackling malnutrition, and created a YouTube video on malnutrition that was sent to a Member of Parliament. Sisters in Ireland continue to be involved with The Stephen Green Trust.

As the pandemic continued across 2021, Sisters' IT skills were developed to improve the communication within most areas of our services, ministries, and across our communities. These skills also enabled the Sisters to maintain the remote support they offer to so many previous users of our services, who are spread far and wide, as well as those still in the immediate neighbourhoods.

At 31 March 2022 there were 35 Sisters (33 in Communities and 2 on the General Council) in the Province (2021 – 41 Sisters (39 in Communities and 2 on the General Council)). During the year, three Sisters died; Sister Jane Hehir (13th November 2021); Sister Lucia Lang (2nd February 2022); Sister Clarissa Pereira (14th February 2022). Three Sisters transferred out of the English Province during the year; Sister Arlinda Azaredo, Sister Flavia Cerejo, and Sister Josephine Rosario moved from the St Joseph's community in Cheam, where they were supporting the International Generalate when it was based in England and moved to Rome when the Generalate transferred its day-to-day operations over to a recently vacated Convent in Italy.



The Sisters normally spend time on retreat each year in silent contemplation and prayer. The purpose being to deepen their own spiritual life and to reflect on and evaluate how they are fulfilling their commitment to helping those most in need.

The Province's frail and elderly Sisters are cared for in appropriately adapted accommodation in Haslemere, Surrey and in Stillorgan, Ireland within a Community setting and with the help of lay staff. The costs are significant, but it avoids the need for Sisters to go into the full-time and even more expensive care of others.

Sister Communities are also supporting adult groups known as Associates of the Daughters of the Cross. These are people who wish to embrace the Charism and Ethos of the Congregation and who in turn support the Congregation's ministries with their prayers. The English Province Sisters support Associates in Carshalton, Cheam, Jarrow and Much Hadham in England, Stillorgan in Ireland and Tracy in the USA, and there are other groups of Associates in many of the countries in which the Congregation works.

The Province supports the Worldwide Congregation in various ways. The English Province continues to provide two members of the General Council; Sister Maureen O'Brien and Sister Mary McLaughlin. The Province continues to hold the Worldwide Fund designated fund, which enables it to provide grants for the International Generalate to support other Provinces around the world. The Province pays an annual contribution towards the running of the International Generalate and the costs of the Chapter and General Meetings.

Holy Cross Hospital

Working in close co-operation with the NHS (from which most patients are referred), Holy Cross Hospital provides high quality inpatient services to adults with severe and complex neurological disabilities or illnesses that may arise from acquired brain injury, spinal cord injury or advanced stage of degenerative illness. It also has a physiotherapy centre which houses the hydrotherapy pool, enhancing the treatment of some inpatients and providing excellent facilities for outpatient treatment. The Hospital makes the benefits of physiotherapy and hydrotherapy available to as many local people as possible. The Hospital is also able to provide short-term rehabilitation and respite care.

Most of the inpatients referred to the Hospital have been in contact with statutory services and most of the Hospital's income is derived from NHS Clinical Commissioning Groups (CCGs) and Local Authorities, who are responsible for funding such healthcare services.

The Hospital aims to achieve the best possible quality of life for all those using its services, with a high priority being given to engaging the support and participation of family members. Some patients require access to the Hospital's services over prolonged periods, therefore great effort is devoted to making the environment as home-like as possible, to which donations and the work of volunteers make a major contribution.

The Hospital (40 beds) started and ended the year with four empty beds. During the year four patients died and seven patients were discharged; there were eleven new admissions. The average number of vacant beds during the year was 4.5, largely due to Covid-19 pandemic related bed vacancy across the neuro-rehabilitation healthcare system, although demand did start to pick up in the third quarter of the year.

During the year, virtual patient visiting was available to relatives, and this was invaluable for patients and relatives during times of lockdown and restricted visiting.

Looking back over the year, there are several highlights to pick out from across the services and activities at the Hospital:

- maintained high care standards (as monitored through the monitoring arrangements of the Care Quality Commission (CQC));
- further development of the electronic patient record system to include incident management, medicine prescribing and administration, and forms for therapy;
- added extra-corporeal shockwave therapy and post-natal support to the services provided by the Physiotherapy Centre;
- completed and opened the Treehouse wheelchair accessible platform;
- installed solar panels on the Hospital roof and installed electric vehicle (EV) charging points on site;
- celebrated the diversity of the 21 different nationalities represented across the Hospital workforce at our annual Celebration of Learning and Development; and
- introduced a remembrance service for families of patients who have passed away.

Grants

Although grants were awarded each year, the charity is not primarily a grant-making charity.

Before every grant is approved, a request for appropriate information to support the grant is made to ensure that it is within the charitable objectives and being made to an organisation or on a project which the trustees wish to support. The impact which the grant would make is also considered. For all grants made within the Worldwide Congregation, reports are received (including photographs) to show what has been achieved with the funds.

During the year there were £146,000 (2021 – £162,000) of worldwide fund grants made to communities of the Worldwide Congregation to help their work in poor local communities in Cameroon, Nepal, and Rourkela, India.

Two grants, both for €20,000 were awarded to Nepal, for supporting the work being done by Sisters at the Christalaya convent in East Nepal.

The first project was to support the girls living in the Christalaya Hostel in Maheshpur, an area where a high percentage of the population are landless labourers, working in the tea gardens and paddy fields, while living in small accommodation provided by their employers. The children of these workers, as well as girls living in challenging and impoverished homes are given access to good quality education, medical care and wellbeing services, and are able to learn crafts and other skills needed in later life. The Morning Star nursery school, looks after up to 40 very young children and provides them with good quality early years care and development, to prepare them for school. The €20,000 grant was to pay for food and accommodation, uniforms and equipment used by the children, and pay the costs of the teaching and support staff.

The second project was to support the St Joseph's school in Tulachan, East Nepal. The school was started in 2015 and provides education for up to 195 pupils. The grant of €20,000 was to fund buying books, uniforms, desks, benches, and chairs for the pupils, as well as covering the costs of the teaching and non-teaching staff.

In Rourkela, India, two grants of €25,000 each were awarded to the Daughters of the Cross Rourkela Province. The first project was to fund the development of the St Joseph's school in Gaibira. The pandemic has meant that the financial resources of the Rourkela Province are depleted, and they are unable to fund the much-needed development of the school that is linked to the St Joseph's convent. The school was closed during the pandemic but has recently begun to open its doors and welcome the children back, but this has meant their education has suffered over the past two years. The grant will fund the re-starting of the construction work (paused due to Covid lockdowns), which will allow more students to attend the school and provide a better learning environment.

The second grant, also for €25,000, was to fund a project at the St Joseph's school in Sundargarh. Due to cutbacks in local government support for education in the locality, the Sisters have had to take it upon themselves to help educate the children of the local tribal people. There are 210 children at the school and the grant will allow the Sisters to maintain their education and keep developing the school, so it meets the needs of the local people.

Two grants totalling €83,000 for projects in Cameroon were also awarded. These are for projects in Maroua and Melim, where the work of the Sisters in recent years has been severely restricted by civil war and terrorist groups. The grants will help to cover the costs of re-starting the work of the Sisters in Cameroon and supporting the development of the novice Sisters.

The Sisters also made grants and donations totalling £28,000 (2021 - £22,000) to projects in the UK and to emergency disaster relief appeals. These include £10,000 to CAFOD for their Ukraine appeal and a further £5,000 to their Afghanistan appeal. £5,000 to the Medaille Trust and £2,000 each to Glass Door (a homeless charity), Mercy Ships, Aid to the Church in Need, and to CAFOD's emergency relief fund. A £15,000 contribution was also made to the Religious Life Safeguarding Service's 'Common Fund', to ensure poorer Congregations are able to access the service.

7 Volunteers

The Sisters are Apostolic Religious volunteers and the whole of their lives is given to helping those in need.

The trustees and staff are very grateful to our volunteers, in whatever role they carry out, across the charity, who give freely and generously of their time and who bring enthusiasm and dedication. They make an enormous contribution to the lives of the beneficiaries and the success of the charity.

At Holy Cross Hospital volunteers make a significant contribution to the activities of the Hospital. They contribute to patients' quality of life by supporting social activities in the "Living Room" and outside in the wider community by helping with transport, outings, and fundraising through the Friends of Holy Cross Hospital.

8 Financial Review (including reserves)

Results

A high-level analysis of the operating deficit and the overall results is as follows:

	Works	Sisters*	Total	Total
2022	£'000	£'000	2022	2021
			£'000	£'000
Cost of providing services	(7,466)	(2,708)	(10,174)	(11,390)
Province property projects	—	(1,001)	(1,001)	(37)
Grant to St Raphael's Hospice	—	—	—	(3,600)
Charitable activities' income	6,575	—	6,575	8,430
St Raphael's non-grant income (net)	—	—	—	282
Operating deficit	(891)	(3,709)	(4,600)	(6,315)
Other charity net income	316	2,420	2,736	3,039
Operating deficit after other income	(575)	(1,289)	(1,864)	(3,276)
Transfer of St Raphael's Hospice			—	(3,699)
Investment gains			5,295	17,521
Net income			3,431	10,546

Trustees' report Year to 31 March 2022

	<i>Works</i>	<i>Sisters*</i>	<i>Total</i>	<i>Total</i>
<i>2021</i>	<i>£'000</i>	<i>£'000</i>	<i>2021</i>	<i>2020</i>
			<i>£'000</i>	<i>£'000</i>
<i>Cost of providing services</i>	(8,966)	(2,424)	(11,390)	(14,165)
<i>Province property projects</i>	—	(37)	(37)	—
<i>Grant to St Raphael's Hospice</i>	—	(3,600)	(3,600)	—
<i>Charitable activities' income</i>	8,430	—	8,430	8,387
<i>St Raphael's non-grant income (net)</i>	282	—	282	2,299
<i>Operating deficit</i>	(254)	(6,061)	(6,315)	(3,479)
<i>Other charity net income</i>	354	2,685	3,039	2,999
<i>Operating surplus/ (deficit) after other income</i>	100	(3,376)	(3,276)	(480)
<i>Transfer of St Raphael's Hospice</i>			(3,699)	—
<i>Investment gains (losses)</i>			17,521	(8,415)
<i>Net expenditure</i>			10,546	(8,895)

***Members of the Congregation**

The operating deficit of £4.6m is a £1.7m improvement on last year's result (mainly due to the £3.6m grant given to St Raphael's Hospice in 2021 which was not repeated this year), however the other net charity income (predominantly investment income and Sisters' pensions and other income) reduced by £300,000 compared to 2021. These outcomes combined resulted in an operating deficit after other income of £1.9m, compared to the £3.2m deficit last year, although the separation of St Raphael's part way through 2020/21, and the large one-off grant given upon separation, makes direct comparison difficult.

The Statement of Financial Activities shows an overall result of £3.4m surplus, including a £3.0m surplus in general funds and a £14,000 increase in restricted funds. This year, the accounts show the results for the Province (the Sisters and the central function of the charity) and only one Work – Holy Cross Hospital. This is a marked change from previous years, where the charity consisted of several Works. This change in the number of services and activities has a significant effect on the financial results of the charity, as well as the wider implications such as number of beneficiaries, volunteers, and staff.

Within the Province, there was significant expenditure on property projects throughout the year. Some of these are capital projects that either finished during the year, or are ongoing in 2023, whereas some were non-capital projects, which can be seen in the increase in the costs that support the members of the congregation (£3.5m in 2022, compared to £2.3 in 2021). These projects took place across our two large sites in Haslemere and Cheam.

Holy Cross Hospital has worked hard over recent years to agree a level of fees with CCGs and Local Authorities that cover the full cost of providing the appropriate level of care for its patients. This work has meant that even though bed occupancy levels have been lower this year, the Hospital recorded only a small deficit (before charity-wide support costs are allocated), whereas with a lower fee level, losses could have been much greater. Staff costs of £4.9m are 67% of its running costs, which is not unusual in healthcare settings. The Hospital had income from Health and Local Authorities of £6.2m, £336,000 of income from private patients, and £316,000k of other income. The total cost of running the Hospital before charity-wide support costs was £7.3m.

The trustees' and management's focus at the Hospital is to ensure a stable and improving financial operating model, so that it can continue to run successfully in the future.

Investment gains and losses

There were investment gains of £5.3m for the year (2021 –£17.5m). These are explained in the section on Investment performance.

Reserves policy and funds

The trustees are conscious of the requirement to balance the needs of present and future beneficiaries, especially the Sisters current needs versus the changing needs over the next 20-30 years. This means that each year they consider whether to increase the proportion of resources allocated to general and designated funds reserves or whether to invest more in areas such as fixed assets, staffing, and training to maintain, improve or develop services to beneficiaries.

It is a characteristic of the health sector that staff costs constitute a large proportion of total costs. Free reserves need to be held to meet these costs in the event of a downturn in occupancy rates at the Hospital, or any other unforeseen eventuality, and to allow the charity to continue with the provision of services whilst specific action plans are developed and implemented. Such downturns tend to happen quickly and because the continuing costs would still need to be met, so these reserves are held in readily available cash.

The trustees consider that, given the level of annual expenditure and the nature of the income and risks of the charity's Works, the level of free reserves required should represent between 3 and 6 months' normal operating unrestricted expenditure. During this period of internal organisational change, as well as managing the significant external risks and a volatile economic environment for at least another 12 months, the trustees consider it necessary that the free reserves of the charity should be at least towards the upper limit of the reserves policy. This enables trustees to react to adverse events and allows time for management to make the required changes. An in-depth review of the reserves policy is due to take place in 2022/23.

The free reserves, which are funds that are neither restricted nor designated for a defined purpose, are represented on the balance sheet as the General Fund. Once its level is decided, trustees can consider the charity's other needs and what funds are available to be designated.

The General Fund (free reserves) at 31 March 2022 stands at £9.5m (2021 – £6.4m) which represents around 9.4 months (2021 – 4.7 months) of the recurring annual unrestricted expenditure, which is above the approved reserves policy range. However, trustees are comfortable with this figure at this stage for the following reasons: The external financial environment is undergoing a volatile period, with high inflation, rising interest rates, and a looming economic recession. Given the importance of investment returns to the funding of the Sisters, a higher level of free reserves will help to mitigate potential falls in returns in the next 12-24 months. The charity is also undertaking a range of large construction projects during 2022 and 2023. Given the economic volatility mentioned above, the risks of overruns, rising costs, and the impact a recession may have on the construction industry means the charity is facing greater external risks than usual.

Restricted funds

Restricted funds of the charity relate to the surplus monies which have either been raised or given for, or their use restricted to, specific purposes or which comprise donations subject to donor-imposed conditions. At 31 March 2022 they amounted to £1.6m (2021 – £1.5m), of which £1.5m (2021 – £1.4m) is in respect of a legacy given for the benefit of Holy Cross Hospital. The legacy was partly used to build a Hydrotherapy Centre, with the remainder (the restricted fund) being invested so the income generated can fund the maintenance costs and keep the facility running.

Designated Funds

The fixed asset fund amounts to £32.7m (2021 – £33.0m) and relates to those funds invested in tangible fixed assets. Other designated funds are established out of general funds where there is a need to provide funding for a specific purpose. The funds include:

- The Daughters of the Cross fund stands at £45m (2021 - £47m). The level in the Daughters of the Cross fund reflects the continued (and future) decrease in covenanted income being received by the Sisters. The cost of running the Communities has not materially decreased over recent years, despite the fall in the number of Sisters, and the recent Covid-related lockdowns have made it difficult to assess the current level of 'normal' expenditure at our Communities. At present, Sisters – including the frail and elderly - live in community. Two communities have a staff team to provide care and other support to the Sisters who need it. While these costs are significant, the current arrangements allow for the Sisters to live and take part in religious community life within the convent. Were Sisters to be resident in a care home this would incur higher costs, and the Sisters would lose the spiritual connection of living in community.

The shortfall in income to meet the Sisters' living costs must be met from investment income. The current size of the fund has been necessitated by the fall in yields we have experienced within the investment portfolio. The income from Sisters pensions is considerably lower than the annual day-to-day living costs of the Sisters across all of our Communities. The shortfall is approximately £1m, and this can only be made up from income from our investments. Yields fell during 2020/21 and have been slow to recover – and it may take many years to return to pre-pandemic levels given the current volatile state across global markets, so a substantial-sized fund is still required to generate the required amount of income. In pre-pandemic years, the portfolio produced approximately a 2.7% income yield. Since 2020 the yield has fallen and now stands at about 2%. During 2022/23, it may recover slightly from 2020 levels, but trustees are aware of the current economic pressures, and possible forthcoming recession, which will mean any recovery will be over a period of years, rather than months.

- Provincialate fund of £31m (2021 – £31m). This fund has been established so that the income from it will meet the running costs of the charity's central core functions. This facility will be required for the foreseeable future as the Provincialate office has no source of income other than investment income.
- The £23.2m (2021 – £18.2m) Charitable activities fund reflects the continuation of the stated objective to plan for the future of the Works so they can continue their much-needed work. This will involve improving their infrastructure, strengthening their management teams and ensuring their services are compliant and fit for purpose. The Works' finances are very marginal, particularly in the current climate of central government and local authority budget cuts. Ultimately, trustees will need to assess the best way to support the futures of the Works within the financial means at their disposal. This fund is invested to underpin the wide needs of the Works and the charitable activities within the Province. The needs are connected with the objective of finding long-term secure futures for the Works, securing the value of the existing land and buildings within the Province, and the long-term accommodation and other needs of the Sisters. It is difficult at this time of great change, both internally and externally, to calculate the funds which may be required to secure those futures, but this amount allows for £4m for the Province land and buildings, £4m for identified needs of St Elizabeth's Centre and Holy Cross Hospital (£2m each), as well as another £15m set aside for potential longer-term support across the existing and former Works of the charity.
- Worldwide fund of £8.5m (2021 – £7.8m). This fund is invested to produce annual income to meet charitable needs across the Congregation worldwide. The increase represents the gains in investment valuations, less the grants paid during the year for projects in India, Nepal, and Cameroon.
- St Raphael's Hospice fund of £2.7m (2021 – £2.7m). This fund was established at £6.3m following discussions between trustees and the senior management team at the Hospice. £3.6m was paid across to the Hospice upon separation, and the remaining £2.7m is being held as a contingency against the risks of delay, variances against inflation assumptions built into the new business model, and possible future volatility in legacy income.

The £110.4m other designated funds (*i.e.* not including the tangible fixed assets fund) are represented by £107.5m of fixed asset investments, with the remaining £2.9m held in cash.

Overall

The overall position is that total funds have increased over the year by £3.4m (2021 – £10.5m). This is mainly due to the £5.3m increase in the value of the investment portfolio, partly offset by the £1.9m in-year operating deficit. At 31 March 2022 the charity has total funds of £154.1m (2021 – £150.7m).

9 Investments

Investment policy

The charity's investment objective is to preserve capital value in real terms and to achieve a growing level of income over time. The day-to-day operation of the portfolio is entrusted to three investment management firms, who must each operate in line with our policy. Their approach and strategies are all different, which gives additional diversification and contributes to the management of the various risks involved in holding investment assets.

The charity has had an ethical investment policy for many years as they believe that the practice of holding investments must be done in line with the Sisters' ethos, values, and spirituality. Inevitably this means that some investments cannot be held as they will be incompatible with the values of the Congregation and Catholic Social Teaching. The long-term total return on the investments are not materially affected by the exclusions that form part of the overall investment policy. The investment policy is reviewed every year by the trustees.

The policy states that no charity funds are to be directly invested in companies which generate significant income from armaments, adult entertainment services, high interest lending, breach modern slavery standards, or oil and gas companies that are not actively working towards meeting the goals of the 2015 Paris Agreement. Also excluded are companies which are involved in areas of activity contrary to the sanctity of life. For certain areas of investment stewardship (for example the environment or corporate governance), the policy is to adopt an "engagement" approach, which means using the charity's position as a shareholder, through its investment managers, to encourage companies to adopt more ethical and socially responsible policies and procedures, such as meeting Net Zero commitments. The investment managers either internally, or using external agencies, monitor the activities of those companies in which the charity is invested, and the results of that monitoring are considered at all investment meetings. Our managers are asked to either follow-up on issues that they are currently engaging on, or we ask them to start to engage with companies on other specific topics of environmental, governance or societal issues.

The charity's investment policy underwent a thorough review during the year, to ensure it is fit for purpose and relevant to the present and future issues surrounding charity investments, particularly faith charities.

Investment management, review and performance

The portfolios are invested for the long-term and comprise listed UK and overseas equities and fixed interest stocks, with an exposure to commercial property and other 'alternative' investments. The investments comprise direct company holdings in both equities and bonds, together with pooled funds which are used by each of the managers to gain specific exposure and to manage risk. Income is withdrawn to meet central costs and the needs of the Sisters, and to fund the Worldwide Fund grants.

The portfolios have a significant exposure to UK and overseas equities and the trustees therefore accept that there will be considerable volatility in values. The asset allocation is continually monitored by trustees, in consultation with the investment managers, and the Finance Advisory Committee (which includes all trustees and volunteer independent investment advisors) has formed the view that all the movements in investment values were within acceptable parameters.

The investments performed well over the course of the year, with gains across the first three quarters of the year bringing the portfolio up to over £115m at December 2021. However, following the Russian invasion of Ukraine, markets fell back in the final quarter. The overall result is that our investment portfolio gained in value over the year, rising from £107.3m in April 2021 to £112.7m in March 2022.

The investments will continue to be carefully monitored as markets and economic conditions remain volatile and investment income remains a challenge to get back to pre-pandemic levels, given the current economic climate of high inflation, rising interest rates, and global supply chain delays.

Each investment manager's results are reviewed formally at meetings twice a year, where up to date reports are reviewed, performance against benchmarks is considered, and any issues concerning ethical investment or corporate governance are discussed. Composite benchmarks are arranged by each manager reflecting the agreed asset class allocations and using appropriate indices for each asset class. Where action is necessary, this is agreed, and the actions are monitored to ensure it was taken. The variations in performance fluctuate from manager to manager and from quarter to quarter. Actual performance against the benchmarks for the 12 months to 31 March 2022 was as follows:

(Shown on a total return basis)	2022		2021	
	Actual %	Benchmark %	Actual %	Benchmark %
BlackRock	11.76	12.00	19.75	22.35
Sarasin	6.00	9.10	25.10	25.50
Evelyn Partners	8.80	13.60	21.80	21.30

The trustees continue to be satisfied with their investment managers' actions and performance over the past 12 months. All three recorded gains for the year and a repeat of last year's large growth figures was not expected, so performance between 6% and 12% returns, which is broadly in line with the benchmarks, was satisfactory to the trustees.

10 Fundraising

The charity is registered with the Fundraising Regulator and is committed to adhering to the Fundraising Code of Practice. There have been no adjudications and no significant failures to comply with those standards. The charity has detailed policies and procedures in place to ensure high standards are complied with and those procedures ensure that all fundraisers and those who work on the charity's behalf are aware of them.

During the year, there were no reported failures in compliance with the Fundraising Regulator or other regulatory bodies, including the Gambling Commission (2021: none) and no fundraising complaints received (2021: none).

Holy Cross Hospital does not undertake fundraising activity itself, but it does benefit from the fundraising efforts of another charity, the League of Friends of Holy Cross Hospital. The Province does not undertake any direct fundraising with the public, nor use the services of a third-party organisation.

11 Risk management

The charity works with people who have complex needs and caring for them involves carrying out activities which entail inherent risk. Whilst actions can be taken to monitor, manage and mitigate risks, only a certain level of assurance can ever be obtained, and the trustees accept that there are some risks which are outside of the charity's direct control, and which cannot be mitigated. Trustees are nevertheless committed to maintaining highly developed risk management processes across the charity.

There are separate risk registers maintained at both Holy Cross Hospital and the Provincialate office.

At Holy Cross Hospital, the management team assesses risks on an ongoing basis, with a summary of the major risks being presented to the advisory committee for discussion and review. Risks are assessed under four main headings; clinical management; estates, facilities and supply; workforce; and governance. In respect of clinical management, the Hospital specialises in the care and treatment of vulnerable adults. Detailed attention is given to the clinical education and training of all clinical members of staff and patient feedback is actively sought.

Within the Provincialate office, the risk register is updated regularly and is reviewed by trustees at least once every year. Significant risks currently facing the Province include high inflation eroding the real value of investments and investment income, meaning income cannot keep pace with rising costs. Diversification across asset classes, sectors, geographies and currencies is key to managing the various investment risks faced. Regular dialogue with our fund managers to ensure the investment agreements are robust, but flexible when required, and that any change in need or future plans is communicated well in advance so any changes can be well planned over time remains critical during a period of volatility.

Exposure to risks relating to the major building projects under construction is also significant at this time. While it is a relatively short-term risk, careful management of contractors and budgets is necessary. The trustees utilise the services of a third-party project management firm (a long-standing supplier to the charity) to ensure projects are kept on time and on budget, and any issues that arise are dealt with swiftly.

The charity maintains a good level of reserves, and a robust set of insurance policies, which also ensure the charity is managing its risk exposures prudently.

12 Events since the year-end and future plans

There were no significant events since 31 March 2022.

Future plans for 2022/23 within the Province include:

- To resolve the future of the 29 Tite Street, London property.
- To complete the move of the Provincialate office into the St Joseph's building in Cheam.

- To fund the redevelopment project at Holy Cross Hospital.
- To continue to review the future status of Holy Cross Hospital.
- To complete the major building works in Cheam (Clarkes Avenue, 571 Gander Green Lane, and St Joseph's Convent extension).

Future plans for Holy Cross Hospital include:

- Recovery from the multiple impacts of Covid-19 (including restoring high patient occupancy and recruiting to optimum staffing levels).
- Roll-out of the electronic patient record system.
- Acquire new accessible systems for patient use and new diagnostic equipment for physiotherapy patients.
- Host a conference on Recent Advances in Managing Disorders of Consciousness.
- Commence building work to increase patient capacity with two additional beds, improve staff accommodation, and create additional office space/meeting rooms.

Other matters

13 Public benefit

In many different locations both in the UK and overseas, Sisters have lived and worked to help the public - not only to advance Religion but to bring relief and improvement through education, healthcare, and social work and in whatever other ways were open to them. The charity continues in this spirit.

Holy Cross Hospital provides services which are not widely available within the NHS or elsewhere. Through the Worldwide fund grants, the Sisters fund projects such as new schools and educational resources in developing nations including Nepal, India and Cameroon. The various grants to other UK charities help those organisations to achieve their own charitable aims.

As required by the Charities Act 2011, the Charity Commission has issued guidance on the "public benefit requirement". The trustees have considered the guidance and have had regard to it when exercising any powers or duties to which the guidance is relevant. The trustees consider that many aspects of this report demonstrate the public benefit which the charity provides.

14 The environment

The trustees are aware of the charity's social responsibility to protect the environment. The Works have conservation and waste programmes in place to reduce the consumption of energy and water, to reduce waste so that as little as possible goes to landfill and to recycle metals, chemicals, etc. wherever possible. Our St Mary's Convent uses solar panels to generate a high proportion of its electricity, as does the Hydrotherapy Centre in Holy Cross Hospital. Whenever significant work is carried out on any of the charity's properties, opportunities are taken to reduce energy consumption. The Congregation has for many years held investments in solar and wind power and other 'green' energy funds and regularly engages with our investment managers on climate change matters.

15 Streamlined Energy and Carbon Reporting

Under the Streamlined Energy and Carbon Reporting (SECR), as implemented by the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 the charity is mandated to include energy consumption, related emissions, intensity metrics and energy efficiency improvements implemented during the financial year. The charity is required to comply with these regulations as within the most recent two financial years, it met two of the three criteria of a large company, as defined by the Companies Act 2006. This information is summarised below.

The total consumption (kWh) figures for energy supplies reportable are as follows:

Utility and Scope	2021/22 UK consumption (kWh)	2020/21 UK consumption (kWh)
Natural gas (Scope 1)	3,191,790	3,280,748
Transportation (Scope 1)	4,174	67,136
Grid-supplied electricity (Scope 2)	4,569,081	6,436,659
Transportation (Scope 3)	1,602	30,832
Total	7,766,647	9,815,375

The total emissions (tCO₂e) figures for energy supplies reportable are as follows:

Utility and Scope	2021/22 UK emission (tCO ₂ e)	2020/21 UK emission (tCO ₂ e)
Natural gas (Scope 1)	585	603
Transportation (Scope 1)	8	20
Grid-supplied electricity (Scope 2)	970	1,501
Transportation (Scope 3)	3	23
Total	1,566	2,147

An intensity metric of tCO₂e per headcount number of employees for the annual UK consumption has been calculated as follows:

	2021/22	2020/21
Total tCO ₂ e emissions	1,566	2,147
Average headcount employees for the year (Note 5)	186	278
Intensity metric	8.4	7.7

The reporting methodology is as follows: Scope 1 and Scope 2 consumption and CO₂e emissions data has been calculated in line with the UK Government environmental reporting guidance. The GHG Conversion Factors for Company Reporting (standard set 2021), published by the Department for Business, Energy & Industrial Strategy has been used. Estimations to cover missing billing periods were calculated on a kWh/month pro-rata basis at a metered site level. Where data was not available for the entirety of the reporting period, a kWh value was based on similar properties with similar operations. Scope 3 reporting includes energy used and emissions relating to employee-owned vehicles only. Other, voluntary, Scope 3 emissions have not been reported as it is not practical to be able to measure these.

The intensity metric has been calculated utilising the annualised average employee numbers for the whole charity, totalling 186 employees (2021 – 278), and has been applied to all the carbon emissions reported.

There have been several energy efficiency improvements made during the year. Solar panels have been installed on the roof at Holy Cross Hospital. New building developments during the year all comply with all relevant building regulations. This means that all new buildings are well insulated and energy efficient. We are also installing EV charging points at the Cheam site. Boundaries on our sites at Cheam and Haslemere have made use of hedging shrubs and trees rather than fencing, to both provide boundaries and support the local wildlife.

St Mary's Convent continues to use solar panels to reduce reliance on energy production. The Provincialate has moved to 'green energy' tariffs over recent years, and as contracts come up for renewal, old 'brown' tariffs are switched away from. Trustees also examine the investment policy and the portfolio's carbon intensity metrics to ensure climate change issues are raised with the investment managers. Investments in battery storage, wind, solar and other renewable funds increase year-on-year, and form an important part of the Alternatives segment of the investment portfolio.

16 Structure and governance

16.1 Legal structure

The charity is a charitable company limited by guarantee and its governing documents are its Memorandum and Articles of Association which set out the objects of the charity, the powers of its trustees and details of its general administration and governance.

In terms of Canon Law (which is the law of the worldwide Roman Catholic Church) the Congregation of the Daughters of the Cross of Liege is governed at an international level by the Superior General and her General Council (the Generalate). They are elected every six years at a meeting of elected representatives from around the world called a General Chapter. At the 2018 General Chapter a Superior General and four General Councillors were appointed for a six-year term. Two of the Councillors are Sister Mary MacLaughlin and Sister Maureen O'Brien, both of whom are Sisters of the English Province.

The English Province, which covers Communities in England and Ireland, is governed by the Provincial Superior (Sister Veronica Hagen) and her Provincial Council (Sister Annette Clemence, Sister Kathleen O'Reilly, Sister Anne Kelly, and Sister Maureen O'Brien (resigned 11 September 2021)). The Provincial Bursar, Sister Mary Geraldine, is appointed by the Provincial Superior and this appointment continues until such time as a change is made. By reason of holding these offices, these five Sisters are the current trustees.

The Worldwide Congregation has Constitutions, approved in Rome, which governs how the Sisters should organise their affairs and live their lives. As well as the English Province, the Congregation has a presence in Belgium, Brazil, Cameroon, Germany, India, Italy, Nepal, and Pakistan.

The Superior General of the Worldwide Congregation and the Provincial Superior of the English Province of the Congregation are the only two members of the company.

16.2 Governance and trustees

The Articles of Association provide that there shall be between three and ten trustees. The number will always include Sisters who are trustees by reason of their respective offices within the English Province of the Congregation. The trustees at 31 March 2022 are shown on pages 1 and 2. They have all lived and worked for many years within one or other of the charity's Works and all have personal experience of the services which the charity offers or has offered to the public.

The charity is unlike most charities in that the trustees devote, along with all the Sisters, their whole lives to the service of the charity and the people it serves. In normal circumstances, in living on the same sites as the Works, by meeting regularly and by visiting the Works and the Communities, the trustees oversee the smooth running of the charity. During the pandemic and subsequent constraints such as reduced access to buildings and beneficiaries, Sisters have had to adapt their oversight activities and stay connected in different ways. New ways of communicating with the lay associates, the employees, the beneficiaries, the volunteers, and all those connected in any way with the charity have also been crucial over the past two years.

The trustees meet six times during the year on pre-arranged dates. Additional meetings are held as circumstances dictate to deal with time-sensitive issues such as changes to bank mandates, leases, etc. as well as projects relating to the future of any of the Works.

During this year, trustee meetings were held in a hybrid fashion – with some trustees attending in person (where they live at the same site as the charity's main office) and some attending online.

Opportunities are taken to develop and enhance trustees' knowledge and expertise, and during the year they have attended various online conferences, seminars and training sessions on safeguarding, investments, fraud and matters relating to Religious life. Trustees reviewed the investment policy, governance arrangements, and refreshed their Essential Trustee knowledge. In particular, trustees have attended an in-depth seminar series held by the Religious Life Safeguarding Service (RLSS) looking at safeguarding issues in the Catholic Church.

The Provincial Superior is the voting member of the Conference of Religious in England and Wales to which all Sisters belong, and the Provincial Bursar is a member of the Association of Provincial Bursars. Through these and other such memberships, through attending seminars and conferences, and through newsletters from their advisers and others, trustees keep themselves up to date with changes within Religious Communities and with relevant changing legislation and regulation.

The trustees are aware that regardless of their experience in running the Works of the charity, the environment in which the charity operates continues to evolve and develop, and they do not necessarily possess the full range of business skills required to govern effectively a substantial modern and up to date charity. For this reason, professional advice is extensively sought and relied upon, particularly in the areas of law, finance, accounting, property and investment. The trustees also benefit from the advice of the English Province Finance Advisory Committee, particularly on investments.

The trustees have adopted the Charity Governance Code and they are considering each recommendation as they work their way through the Code. The charity is also registered as a charity in Ireland and is now reporting against the Charities Regulator's governance code, with progress reported at least annually at trustees meetings.

The charity has purchased insurance to protect it from any loss arising from the neglect or defaults of its trustees and officers and to indemnify them against the consequences of any neglect or default on their part. The policy provides cover for up to a maximum of £5,000,000. The charity has also purchased a terrorism and sabotage insurance policy to cover property damage and business interruption at its Central London site.

17 Management

17.1 The Provincial Superior

The day-to-day activities of the charitable company are the responsibility of the Provincial Superior, who delegates the management to the local teams. She speaks to and visits Sisters in their Communities regularly to assist with the many issues arising, e.g. the apostolic work, the Sisters' welfare, property issues and relations/negotiations with others in the local community. She is in contact with members of the management teams and attends meetings regularly, discussing current issues of the day and identifying those decisions which need trustee approval.

17.2 The Communities

There are five Communities, four in the UK and one in Ireland.

Each Community has a Sister Superior who has the responsibility for the day-to-day running of the Community. The Sister Superiors are recommended for appointment by the Provincial Superior, then ratified by the Superior General.

17.3 Holy Cross Hospital

At the Hospital, the Provincial Superior appoints a management team. The Sister Superior at our Haslemere Community attends management team meetings. The Superior, currently Sister Kathleen O'Reilly, is also a trustee and acts as a conduit between the management team and the board of trustees.

The Hospital is supported by an Advisory Committee. The members of the Advisory Committees are appointed by the Provincial Superior in consultation with the relevant Sister Superior and the trustees. The Provincial Superior and the Sister Superior are ex-officio members of the committee. The membership therefore comprises trustees, Sisters, and lay people with an expertise in the work or with a relevant specialism. The Advisory Committees' purpose is to advise the Provincial Superior, the Sister Superior and the management team.

The management structure described above allows the management team to run the Hospital within the ethos, framework and strategy set by the trustees. It also allows important issues to be brought to the attention of trustees, enabling them to make the key decisions affecting strategy, policies, the facilities and services provided, and the service quality and delivery. This structure also enables the trustees to inform management of their current thinking and the reasoning for decisions.

17.4 Employees

The charity has always been and remains committed to opposing discrimination in its many forms. To further this commitment, the management teams throughout the charity ensure that recruitment and selection policies avoid direct or indirect discrimination and comply with all relevant legislation. The aim is to ensure that all employees are aware of and understand the charity's equal opportunities policies and are familiar with the legal framework. The only exception to this policy is that for certain designated posts within the organisation, the post-holder has to be a Catholic.

Whenever an employee becomes disabled, wherever possible arrangements are made to accommodate them by re-organising tasks, sharing roles and duties, and changing amenities. Their training, career development and potential promotion would be considered in the normal way within the non-discrimination policy.

The trustees, through the management teams, aim to keep employees informed and involved through staff briefing and training, staff groups, regular meetings, newsletters, notice boards and websites.

17.5 Key management personnel

The trustees are key management personnel although they are not remunerated. Other key management personnel are the senior officer at Holy Cross Hospital (who has delegated authority to run the Hospital in line with the agreed strategy and within the ethos of The Daughters of the Cross) and the finance manager in the Provincialate Office.

Their pay and remuneration are set by the Provincial Superior with regard to the pay structure in the relevant part of the organisation, in consultation with trustees and appropriate members of the Advisory Committee and with regard to the external market.

18 Related parties

18.1 The Sisters

The Sisters of the Congregation covenant their pension and other income to the charity. They are also beneficiaries of the charity in that the costs of their welfare and activities are met by it. The trustees, including the Provincial Superior and the Provincial Bursar, are all Sisters and no trustee is remunerated for their services. No trustee had any beneficial interest in any contract with the charity.

18.2 Generalate of the Congregation

By means of a lease, the charity provided accommodation for the central government of the Congregation. The International Generalate is the base for the Superior General and her Council who, under the structure of a separate registered English charity (Charity no. 1142490), guide, support and monitor the worldwide services of the Congregation. This lease ended in September 2021, when the Generalate relocated to its new base in Rome, Italy.

18.3 Worldwide Congregation

The charity and the Sisters are part of the worldwide Congregation of the Daughters of the Cross of Liege. Grants, mainly from income from the designated Worldwide Fund, are made to other parts of the Congregation around the world so that the charitable objects can be fulfilled outside the UK.

18.4 St Elizabeth's Centre

Two trustees of this charity are also trustees of St Elizabeth's Centre; Sister Veronica Hagen and Sister Josephine Clemence. Another of our Sisters, Sister Patricia Ainsworth, is also a trustee at St Elizabeth's. Currently three Sisters reside in the Much Hadham Convent, which is situated on the site owned by St Elizabeth's Centre.

18.5 St Raphael's Hospice

St Raphael's Hospice (registered company number 11732567 and registered charity number 1182636) was registered at Companies House on 18 December 2018 and with the Charity Commission on 26 March 2019. On 31 October 2020 certain assets and liabilities were transferred from the Daughters of the Cross of Liege to the independent St Raphael's Hospice charitable company. During 2021/22 a grant of £Nil (2020/21 - £3.6m) was given by the Daughters of the Cross of Liege, to St Raphael's Hospice. Two trustees of this charity; Sister Veronica Hagen and Sister Kathleen O'Reilly are trustees of the new Hospice charity in order to aid the transition to operating independently of the Daughters of the Cross. The charity and the Hospice entered into three 20-year lease agreements for the Hospice building, the 759 London Road office, and St Bede's conference centre. All three leases have a nominal rent of £100 per annum.

19 Stakeholder engagement

The trustees are very aware of the enormous contribution made by the staff and volunteers. When finding futures for the charity's Works, trustees have ensured that staff have been treated very well during uncertain times, have enabled regular two-way dialogue between trustees and staff and have supported employees both spiritually and financially. Trustees ensure staff teams are aware of changes well ahead of time e.g., when staff will be required to work from a different location in the future.

Trustees ensure there is a culture of being a good customer to the charity's suppliers. This includes prompt payment for supplies of goods and services. The charity publishes six-monthly figures on the gov.uk website as part of the Payment Practices Reporting requirements. These results show the charity consistently pays its suppliers in a timely manner.

At the charity's Holy Cross Hospital site, the normal annual Patients Survey was not able to be carried out this year due to Covid-19 restrictions, but instead the Hospital communicated regularly with relatives of patients via email so that the feedback mechanism

wasn't lost, despite the pandemic. The clinical team at the Hospital also receives feedback from NHS Commissioners to ensure expectations are being met.

The Sisters, who are beneficiaries of the charity, hold several Province Days each year, whereas many Sisters from across the Congregation as possible can come together and discuss issues and share thoughts as a whole group.

The trustees discuss both the UK and Irish Charity Governance Codes at trustee meetings and are aware of the importance of having high standards of governance and the right culture and ethos with the charity.

Holy Cross Hospital has its own dedicated website, which is kept updated with the latest news and events happening on site. Social media sites are also used to promote charitable events and activities. The Hospital has its own Facebook page and Twitter account.

20 Statement of trustees' responsibilities

The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law 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 charitable company and of the income and expenditure of the charitable company 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 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 United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees confirms that:

- ◆ so far as she is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and

Trustees' report Year to 31 March 2022

- ◆ she has taken all the steps that she ought to have taken as a trustee in order to make herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

This Trustees' Report, including the Strategic Report contained therein, has been approved by the trustees at a meeting on 15 November 2022 and it is signed on their behalf by:



Sister Veronica Hagen
Trustee and Provincial Superior

Registration details and principal advisers

Registration details

The Congregation of the Daughters of the Cross of Liege is a charitable company limited by guarantee and that is its registered name. Registration details are:

- ◆ Charity Registration Number: 1068661
- ◆ Company Registration Number: 3492921
- ◆ Registered Office and Principal Office address: 29 Tite St, London, SW3 4JX.

Principal advisers

Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Investment managers	BlackRock Investment Management (UK) Limited 12 Throgmorton Avenue London EC2N 2DL Sarasin & Partners LLP Juxon House, 100 St Paul's Churchyard London EC4M 8BU Evelyn Partners 45 Gresham Street London EC2V 7BG
Bankers	The Royal Bank of Scotland plc 250 Bishopsgate London EC2M 4AA
Solicitors	Farrer & Co LLP 66 Lincoln's Inn Fields London WC2A 3LH Mullany Walsh Maxwell 19 Herbert Place Dublin 2 D02 NY72 Ireland

Independent auditor's report to the members of The Congregation of the Daughters of the Cross of Liege

Opinion

We have audited the financial statements of Congregation of the Daughters of the Cross of Liege (the 'charitable company') for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 charitable company's affairs as at 31 March 2022 and of 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 Companies Act 2006.

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 charitable company 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 charitable company'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 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.

Other information (continued)

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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- ◆ the information given in the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report including the strategic report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- ◆ adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of trustees' remuneration specified by law are not made; 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, the trustees (who are also the directors of the charitable company for the purposes of company law) 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.

Responsibilities of trustees (continued)

In preparing the financial statements, the trustees are responsible for assessing the charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

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 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:

- ◆ making enquiries of management and representatives of those charged with governance as to their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any or unusual or unexpected relationships:
- ◆ performed substantive testing of expenditure including authorization thereof; and
- ◆ tested journal entries to identify unusual transactions.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Edward Finch (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

14 December 2022

Statement of financial activities Year to 31 March 2022

	Notes	Unrestricted funds			Total funds 2022 £'000	Total funds 2021 £'000
		General fund £'000	Designated funds £'000	Restricted funds £'000		
Income and expenditure account						
Income from:						
Charitable activities		6,575	—	—	6,575	8,430
Donations and legacies		663	—	76	739	2,134
Other trading activities		—	—	—	—	369
Investments		2,796	—	—	2,796	2,616
Other income		107	—	5	112	214
Total income	1	10,141	—	81	10,222	13,763
Expenditure on:						
Raising funds	2	911	—	—	911	1,958
Charitable activities						
Support of members of the Congregation and their ministry	3	3,516	—	—	3,516	2,331
Running:						
A Hospital - Holy Cross		7,408	—	58	7,466	7,228
A Hospice - St Raphael's		—	—	—	—	2,651
Grants and donations		193	—	—	193	3,807
Reversal of provision		—	—	—	—	(936)
		11,117	—	58	11,175	15,081
Total expenditure		12,028	—	58	12,086	17,039
Net (expenditure) income before investment gains and transfers		(1,887)	—	23	(1,864)	(3,276)
Transfer to St Raphael's Hospice Charitable company						
	19	—	—	—	—	(3,699)
Gains on investments	8	5,221	—	74	5,295	17,521
Net income		3,334	—	97	3,431	10,546
Transfers between funds	12, 13	(238)	295	(57)	—	—
Net movement in funds		3,096	295	40	3,431	10,546
Reconciliation of funds:						
Total funds brought forward at 1 April 2021		6,444	142,715	1,533	150,692	140,146
Total funds carried forward at 31 March 2022		9,540	143,010	1,573	154,123	150,692

Comparative statement of financial activities Year to 31 March 2021

	Notes	Unrestricted funds		Restricted funds £'000	Total funds 2021 £'000
		General fund £'000	Designated funds £'000		
<i>Income and expenditure account</i>					
<i>Income from:</i>					
Charitable activities		6,571	—	1,859	8,430
Donations and legacies		937	—	1,197	2,134
Other trading activities		—	—	369	369
Investments		2,613	—	3	2,616
Other income		209	—	5	214
Total income	1	10,330	—	3,433	13,763
<i>Expenditure on:</i>					
Raising funds	2	746	—	1,212	1,958
<i>Charitable activities</i>					
	3				
Support of members of the Congregation and their ministry		2,331	—	—	2,331
<i>Running:</i>					
A Hospital - Holy Cross		7,205	—	23	7,228
A Hospice - St Raphael's		—	—	2,651	2,651
Grants and donations		3,807	—	—	3,807
Reversal of Provision		(936)	—	—	(936)
		12,407	—	2,674	15,081
Total expenditure		13,153	—	3,886	17,039
Net expenditure before investment gains and transfers		(2,823)	—	(453)	(3,276)
Transfer to St Raphael's Hospice Charitable company	19	(2,741)	(634)	(324)	(3,699)
Gains on investments	8	17,205	—	316	17,521
Net income (expenditure)		11,641	(634)	(461)	10,546
Transfers between funds	12, 13	(10,169)	12,787	(2,618)	—
Net movement in funds		1,472	12,153	(3,079)	10,546
<i>Reconciliation of funds:</i>					
Total funds brought forward at 1 April 2020		4,972	130,562	4,612	140,146
Total funds carried forward at 31 March 2021		6,444	142,715	1,533	150,692

Comparative statement of financial activities Year to 31 March 2021

With effect from 31 October 2020, the net assets and the operations at St Raphael's Hospice were transferred to the new St Raphael's Hospice charitable company. The income and expenditure relating to St Raphael's Hospice are defined as discontinued activities within the Congregation of the Daughters of the Cross of Liege.

The impact on prior year income and expenditure of the discontinued operations described above is summarised in the table below:

SOFA	Continuing £'000	Discontinued £'000	2021 Total £'000
Income	10,407	3,356	13,763
Expenditure	(13,336)	(3,703)	(17,039)
Net expenditure before investment gains and transfers	(2,929)	(347)	(3,276)
Transfer to new St Raphael's Hospice charity	(3,699)	—	(3,699)
Gains on investments	17,521	—	17,521
Net movement in funds	10,893	(347)	10,546

All other activities of the charity comprised continuing operations during the financial year.

Balance sheet 31 March 2022

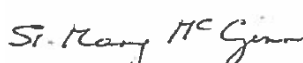
	Notes	2022 £'000	2022 £'000	2021 £'000	2021 £'000
Fixed assets					
Tangible assets	7		32,713		32,995
Investments	8		112,701		107,316
			145,414		140,311
Current assets					
Debtors	9	505		637	
Cash		9,764		10,955	
		10,269		11,592	
Creditors: amounts falling due within one year	10	(1,392)		(1,041)	
Net current assets			8,877		10,551
Total assets less current liabilities			154,291		150,862
Provisions for liabilities	11		(168)		(170)
Total net assets			154,123		150,692
The funds of the charity:					
Restricted funds	12		1,573		1,533
Unrestricted funds					
Designated funds					
. Fixed assets fund		32,659		32,980	
. Other		110,351		109,735	
	13	143,010		142,715	
. General fund		9,540		6,444	
Total unrestricted funds			152,479		149,159
Total charity funds			154,123		150,692

Approved by the trustees of The Congregation of the Daughters of the Cross of Liege, Company Registration Number 03492921 (England and Wales), and signed on their behalf by:


Sister Veronica Hagen

Trustee and Provincial Superior

Date of approval: 15/11/2022


Sister Mary McGinn

Trustee and Provincial Bursar

Statement of cash flows 31 March 2022

	Notes	2022 £'000	2021 £'000
Cash flows from operating activities	A	(3,025)	(3,971)
Cash flows from investing activities	B	1,836	1,860
Cash flows from financing activities	C	(2)	(988)
Change in cash and cash equivalents		(1,191)	(3,099)
Cash transferred to St Raphael's Hospice (Company Number 11732567; Charity Registration Number 1182636)		—	(2,778)
Cash and cash equivalents at 1 April 2021		10,955	16,832
Cash and cash equivalents at 31 March 2022	D	9,764	10,955

Notes to the statement of cash flows for the year to 31 March 2022.

A Reconciliation of net expenditure to net cash flow used in operating activities

	2022 £'000	2021 £'000
Net income (as per statement of financial activities)	3,431	10,546
Depreciation charge	956	1,032
Loss (profit) on disposal of tangible fixed assets	252	(3)
Gains on investment property	(8)	(30)
Gains on investments	(5,287)	(17,491)
Transfer to St Raphael's Hospice (Company Number 11732567; Charity Registration Number 1182636)	—	3,699
Investment income	(2,852)	(2,668)
Decrease in debtors	132	519
Increase in creditors	351	425
Net cash used in operating activities	(3,025)	(3,971)

B Investing activities

	2022 £'000	2021 £'000
Payments to acquire tangible fixed assets	(933)	(500)
Net proceeds from sale of tangible fixed assets	7	6
Payments to acquire investments	(27,949)	(40,625)
Proceeds from sales of investments	27,258	34,845
Decrease in cash held by investment managers	720	4,686
Investment income	2,852	2,668
Other movements	(119)	780
Net cash provided by investing activities	1,836	1,860

C Financing activities

	2022 £'000	2021 £'000
Decrease in other long-term liabilities	(2)	(988)
Net cash used in financing activities	(2)	(988)

Statement of cash flows 31 March 2022

D Analysis of cash and cash equivalents

	2022	2021
	£'000	£'000
Total cash and cash equivalents – cash	9,764	10,955

No separate reconciliation of net debt has been prepared as there is no difference between the net cash (debt) of the charity and the above cash and cash equivalents.

1 Income

Income from	Unrestricted funds £'000	Restricted funds £'000	Total funds 2022 £'000
Charitable activities			
. Fees and charges – Privately-funded	336	—	336
. Fees and charges – Publicly-funded	6,239	—	6,239
. Grants – Public*	—	—	—
. Other	—	—	—
	6,575	—	6,575
Donations and legacies			
. Donations	53	—	53
. Legacies	—	76	76
. Covenanted income from Sisters of the Congregation – pensions and other income	610	—	610
	663	76	739
Other trading activities			
. Charity shops	—	—	—
. Lottery and events	—	—	—
	—	—	—
Investments			
. UK investments	2,341	—	2,341
. Overseas investments	437	—	437
. Interest receivable	18	—	18
	2,796	—	2,796
Other income			
. Property	56	—	56
. Other income	51	5	56
	107	5	112
Total income	10,141	81	10,222

1 Income (continued)

<i>Income from</i>	<i>Unrestricted funds £'000</i>	<i>Restricted funds £'000</i>	<i>Total funds 2021 £'000</i>
<i>Charitable activities</i>			
. Fees and charges – Privately-funded	226	—	226
. Fees and charges – Publicly-funded	6,345	—	6,345
. Grants – Public*	—	1,856	1,856
. Other	—	3	3
	6,571	1,859	8,430
<i>Donations and legacies</i>			
. Donations	2	759	761
. Legacies	310	438	748
. Covenanted income from Sisters of the Congregation – pensions and other income	625	—	625
	937	1,197	2,134
<i>Other trading activities</i>			
. Charity shops	—	120	120
. Lottery and events	—	249	249
	—	369	369
<i>Investments</i>			
. UK investments	2,183	—	2,183
. Overseas investments	408	—	408
. Interest receivable	22	3	25
	2,613	3	2,616
<i>Other income</i>			
. Property	52	—	52
. Other income	157	5	162
	209	5	214
Total income	10,330	3,433	13,763

1 Income (continued)

Income from charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total funds 2022 £'000
Holy Cross Hospital	6,575	—	6,575
St Raphael's Hospice	—	—	—
	6,575	—	6,575

	<i>Unrestricted funds £'000</i>	<i>Restricted funds £'000</i>	<i>Total funds 2021 £'000</i>
<i>Holy Cross Hospital</i>	6,571	—	6,571
<i>St Raphael's Hospice</i>	—	1,859	1,859
	6,571	1,859	8,430

2 Expenditure on raising funds

	Staff costs £'000	Depreciation £'000	Other costs £'000	Total funds 2022 £'000
Cost of generating voluntary income	—	—	—	—
Fundraising trading: cost of running charity shops	—	—	—	—
Investment management costs	—	—	538	538
Support costs (note 4)	—	—	373	373
	—	—	911	911

	<i>Staff costs £'000</i>	<i>Depreciation £'000</i>	<i>Other costs £'000</i>	<i>Total funds 2021 £'000</i>
<i>Cost of generating voluntary income</i>	302	—	263	565
<i>Fundraising trading: cost of running charity shops</i>	296	—	351	647
<i>Investment management costs</i>	—	—	471	471
<i>Support costs (note 4)</i>	—	—	275	275
	598	—	1,360	1,958

	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000
Split between funds			
2022	911	—	911
2021	746	1,212	1,958

3 Charitable activities

An analysis of the charitable activity expenditure is as follows:

	Property costs £'000	Staff costs £'000	Depreciation £'000	Other costs £'000	Support costs (note 4) £'000	Total 2022 £'000
Support of Members	1,001	879	259	584	793	3,516
Holy Cross Hospital	87	5,144	364	1,722	149	7,379
St Raphael's Hospice	—	—	—	—	—	—
Grants and donations	—	—	—	193	—	193
	1,088	6,023	623	2,499	942	11,175

An analysis of the charitable activity expenditure for 2021 is as follows:

	Property costs £'000	Staff costs £'000	Depreciation £'000	Other costs £'000	Support costs (note 4) £'000	Total 2021 £'000
Support of Members	37	818	354	613	509	2,331
Holy Cross Hospital	—	5,109	361	1,661	97	7,228
St Raphael's Hospice	—	1,961	151	369	170	2,651
Grants and donations	—	—	—	3,807	—	3,807
Reversal of provision	—	—	—	(936)	—	(936)
	37	7,888	866	5,514	776	15,081

An analysis of the expenditure between restricted and unrestricted funds is as follows:

	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000
Support of Members	3,516	—	3,516	2,331	—	2,331
Holy Cross Hospital	7,408	58	7,466	7,205	23	7,228
St Raphael's Hospice	—	—	—	—	2,651	2,651
Grants and donations	193	—	193	3,807	—	3,807
Reversal of provision	—	—	—	(936)	—	(936)
	11,117	58	11,175	12,407	2,674	15,081

Net income for the year is stated after charging (crediting):

	2022 £'000	2021 £'000
Depreciation	956	1,032
Loss (profit) on disposal of tangible fixed assets	252	(3)
Gain on investment property	(8)	(30)
Auditors' total remuneration	109	104
Operating lease rentals	—	173
Grants and donations	193	3,807

Of the grants and donations £146,000 (2021 – £162,000) was to the worldwide congregation and £Nil was to St Raphael's Hospice upon separation (2021 – £3.6m).

4 Support costs

	Governance £'000	Other £'000	2022 £'000
Staff costs	31	174	205
Professional fees	143	517	660
Property Costs	—	158	158
Other costs	5	287	292
Total support costs	179	1,136	1,315

	Governance £'000	Other £'000	2021 £'000
<i>Staff costs</i>	37	124	161
<i>Professional fees</i>	218	228	446
<i>Property Costs</i>	8	117	125
<i>Other costs</i>	13	306	319
Total support costs	276	775	1,051

	2022 £'000	2021 £'000
Attributed to the following activities:		
. Raising funds (note 2)	373	275
. Charitable activities (note 3)	942	776
	1,315	1,051

All costs relating to a particular activity are treated as costs of that activity. Support costs, which include governance costs, are the central costs incurred predominantly within the Province which support the charity's activities and deal with its governance arrangements. Where costs specifically relate to an activity, they are allocated to that activity. General support costs are allocated to the activities on the basis of the cost and time spent on each of them.

The trustees are Sisters of the Congregation and they are not remunerated for their work as trustees. The governance of the charity is dealt with by the trustees acting, where appropriate, after considering the advice of their professional advisers and with the assistance of the Senior Management Teams.

Trustees are, as are all Sisters, beneficiaries of and donors to, the charity and the charity meets the costs of their ministry and welfare. In the case of trustees, their costs include expenses incurred when they are fulfilling their trustee duties for which an allocation of costs is made.

Professional fees include payments to the charity's auditors for audit fees of £46,000 (2021 – £50,000), which are included in Governance. Fees paid to the charity's auditor for other services, which all relate to taxation, governance, and general financial advice and are included in support costs, amount to £63,000 (2021 – £54,000). The total amount paid to the auditors was £109,000 (2021 – £104,000).

5 Staff costs

	2022 £'000	2021 £'000
Wages and salaries	5,226	7,419
Social security costs	561	741
Other pension costs (note 16)	164	223
	5,951	8,383
Payments for agency staff	273	229
Other staff related costs	4	35
	6,228	8,647

Other staff related costs include the costs of training courses, medical insurance, and recruitment costs.

	2022 £'000	2021 £'000
Staff costs have been charged as follows:		
. Raising funds (note 2)	—	598
. Charitable activities (note 3)	6,023	7,888
. Support costs (note 4)	205	161
	6,228	8,647

The analysis of average staff numbers between full-time and part-time staff are as follows:

Actual numbers	2022			2021		
	Full-time	Part-time	Total	Full-time	Part-time	Total
Charitable activity						
. Holy Cross Hospital	96	51	147	90	58	148
. St Raphael's Hospice	—	—	—	39	53	92
. Province	30	9	39	26	12	38
	126	60	186	155	123	278
Volunteers			23			272
			209			550

The full-time equivalent numbers of staff is 169 (2021 – 245).

In addition, the number of agency staff, on a full-time equivalent basis, was 8 (2021 – 20).

The number of employees who earned £60,000 per annum or more (including benefits but excluding pension contributions) during the year was as follows:

	2022	2021
£60,001 - £70,000	8	6
£70,001 - £80,000	1	2
£80,001 - £90,000	1	1
£90,001 - £100,000	1	—
	11	9

5 Staff costs (continued)

Details of the pension contributions for those earning £60,000 per annum or more are shown below:

	2022		2021	
	Number	£'000	Number	£'000
Defined contribution schemes	11	23	9	23

The trustees are key management personnel of the charity; they are not remunerated as trustees but they are beneficiaries of the charity in that their welfare and work is funded by it. The cost of the support of all Sisters is disclosed elsewhere.

The Senior Officer at Holy Cross Hospital (and for 2020/21, the Senior Officer at St Raphael's Hospice) has delegated authority to run the Work in line with the agreed strategy and within the ethos and charism of The Daughters of the Cross. They are therefore also regarded as key management personnel, along with the Provincialate Finance Manager. The total employee benefits of this group, including pension contributions amounted to £185,659 (2021 – £288,858), which together with National Insurance Contributions of £21,373 (2021 – £33,555) brings the total cost of employment of key management personnel to £207,032 (2021 – £322,414).

6 Taxation

The charity is not liable to corporation tax on income or gains derived from its charitable activities, as they fall within the various exemptions available to charities.

It does, however, suffer VAT which is included with the expenditure to which it relates.

7 Tangible fixed assets

	Freehold & leasehold land and buildings £'000	Assets in course of construction £'000	Medical, computer and office equipment £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 April 2021	36,294	203	4,367	201	41,065
Additions	594	180	159	—	933
Transfer	190	(190)	—	—	—
Disposals	(311)	—	(10)	(9)	(330)
At 31 March 2022	36,767	193	4,516	192	41,668
At cost	9,002	193	4,516	192	13,903
At deemed cost (2014 valuation)	27,765	—	—	—	27,765
	36,767	193	4,516	192	41,668
Depreciation					
At 1 April 2021	5,014	—	2,944	112	8,070
Charge for year	737	—	196	23	956
Disposals	(55)	—	(10)	(6)	(71)
At 31 March 2022	5,696	—	3,130	129	8,955
Net book value					
At 31 March 2022	31,071	193	1,386	63	32,713
At 31 March 2021	31,280	203	1,423	89	32,995

7 Tangible fixed assets (continued)

Included in freehold land and buildings are amounts for land at deemed cost of £10.0m (2021 – £10.0m) which has not been depreciated.

Under the transitional arrangements set out in FRS 102, the charity elected to treat property valuations prior to 1 April 2014 as their deemed cost at that date. Valuations were performed by a qualified external valuer, in accordance with the requirements of the RICS Valuation Standards and FRS102. Subsequent additions are stated at cost.

8 Fixed asset investments

Losses and gains on investments recognised in the statement of financial activities are made up as follows:

	2022 £'000	2021 £'000
Gains on investments	5,340	16,425
Investment gains allocated to others	74	316
Other movements	(119)	780
Gains on investments per SOFA	<u>5,295</u>	<u>17,521</u>

The realised gain relating to disposals based upon historic cost was £4,177,000 (2021 – £3,323,000).

	2022 £'000	2021 £'000
Investments (note a)	110,442	104,345
Cash (note a)	1,781	2,501
Investment properties (note b)	478	470
Total fixed asset investments	<u>112,701</u>	<u>107,316</u>

(a) Investments

	2022 £'000	2021 £'000
Market value at 1 April 2021	104,345	81,854
Additions at cost	27,949	40,625
Sale proceeds	(27,258)	(34,845)
Investment gains	5,406	16,711
Market value at 31 March 2022	<u>110,442</u>	<u>104,345</u>
Investment cash	1,781	2,501
Total investments at 31 March 2022	<u>112,223</u>	<u>106,846</u>
Historical cost of investments at 31 March 2022	<u>91,434</u>	<u>86,457</u>

	UK £'000	Overseas £'000	Total 2022 £'000
Analysis of investments at market value at 31 March 2022:			
Listed investments			
. Pooled funds	39,186	4,457	43,643
. Other	36,877	28,608	65,485
Unlisted shares			
. Pooled funds	609	—	609
. Other	473	232	705
. Investment cash	1,781	—	1,781
	<u>78,926</u>	<u>33,297</u>	<u>112,223</u>

8 Fixed asset investments (continued)

(a) Investments (continued)

	UK £'000	Overseas £'000	Total 2021 £'000
<i>Analysis of investments at market value at 31 March 2021:</i>			
<i>Listed investments</i>			
. Pooled funds	32,506	7,613	40,119
. Other	35,378	28,322	63,700
<i>Unlisted shares</i>			
. Pooled funds	19	—	19
. Other	418	89	507
. Investment cash	2,501	—	2,501
	<u>70,822</u>	<u>36,024</u>	<u>106,846</u>

The historical cost of investments at 31 March 2022 was £91.4m (2021 – £86.4m). Shares, bonds, investment funds (including unit trusts), and other asset types relating to companies listed on a UK stock exchange or incorporated in the UK are treated as investments in the UK. Investments in overseas-based companies and other non UK-based assets and investment funds are treated as being overseas.

Whilst there are significant investments in common investment funds and other collective investment vehicles, there are no investments in individual companies or entities which the trustees would regard as material.

(b) Investment properties

	Freehold land and buildings 2022 £'000	Freehold land and buildings 2021 £'000
At 1 April 2021	470	440
Realised loss due to re-assessment in the year	—	—
Revaluation gain in the year	8	30
Loss on disposal	—	—
At 31 March 2022	<u>478</u>	<u>470</u>

The values of investment properties are wholly based on valuations by independent valuers. An update valuation report was carried out by chartered surveyors, Weldon Beesly LLP, to determine the market value of the freehold agricultural grazing land in Much Hadham, Hertfordshire, following a full valuation report in 2021.

9 Debtors

	2022 £'000	2021 £'000
Operational debtors	364	482
Other debtors	26	57
Prepayments	115	98
	<u>505</u>	<u>637</u>

10 Creditors: amounts falling due within one year

	2022 £'000	2021 £'000
Operational creditors	207	116
Social security and other taxes	125	119
Amounts held on behalf of Sisters	223	224
Income received in advance	36	33
Accruals	449	270
Worldwide fund grants payable	256	189
Fixed asset creditors	54	45
Other creditors	42	45
	1,392	1,041

11 Provisions for liabilities

	2022 £'000	2021 £'000
Obligation at 1 April	170	1,158
Reversal of provision	—	(936)
Movement in the year	(2)	(52)
Obligation at 31 March	168	170

The provision for compensation is an amount set aside, originally to meet the charity's potential contribution to the Residential Institutions Redress Board (RIRB) established in Ireland to make compensation awards to people who, as children, were abused while resident in schools and other institutions subject to state regulation or inspection, as well as High Court claims that did not meet the criteria for claiming through RIRB. The Redress scheme is now closed for applications, so the provision is held to meet any claims made through the High Court. A review carried out in 2021 in conjunction with our legal advisors in Ireland set the provision at €200,000.

12 Restricted funds

The funds of the charity include restricted funds comprising the following balances held on trust to be applied for specific purposes:

	At 1 April 2021 £'000	Net income £'000	Gain on investments £'000	Transfers £'000	At 31 March 2022 £'000
Hydrotherapy centre	1,449	—	74	—	1,523
Amenities fund	84	23	—	(57)	50
	1,533	23	74	14	1,573

	At 1 April 2020 £'000	Net expenditure £'000	Gain on investments £'000	Transfers £'000	At 31 March 2021 £'000
Hospice funds	3,432	(3,432)	—	—	—
Hydrotherapy centre	1,134	—	316	(1)	1,449
Amenities fund	46	(118)	—	156	84
	4,612	(3,550)	316	155	1,533

12 Restricted funds (continued)

- **Hydrotherapy centre**

This represents part of a legacy which had to be used at Holy Cross Hospital and is therefore restricted. The legacy was partly used to build a hydrotherapy facility and these were released to unrestricted funds. The remainder (being the restricted fund) was invested to generate an income to help meet the running costs of the facility.

- **Amenities fund**

This fund represents monies donated to support patients and staff activities, and patient amenities. The fund supports the running of the ambulances used to transport patients, and the cost of social activities and outings for patients. This includes the costs associated with the off-site cottage in Selsey that is used by patients as part of their care. Transfers in the year of £57,000 represent the capital costs incurred in the year in relation to the construction of the Treehouse.

- **Hospice funds**

The general funds of St Raphael's Hospice could only be applied for the benefit of the Hospice and were, therefore, treated as restricted. The net expenditure total of £3,432,000 in 2020/21 includes the transfer of £2,761,000 of restricted Hospice funds to the separate St Raphael's Hospice charitable company on the separation date of 31 October 2020.

13 Designated funds

	At 1 April 2021 £'000	Transfer (to) from general funds £'000	At 31 March 2022 £'000
Fixed asset fund	32,980	(321)	32,659
Other funds			
. Daughters of the Cross fund	47,000	(2,000)	45,000
. Charitable activities fund	18,200	5,000	23,200
. Provincialate fund	31,000	—	31,000
. St Raphael's Hospice fund	2,700	—	2,700
. Worldwide fund	7,835	616	8,451
. Adversity reserve fund	2,000	(2,000)	—
. Income risk reserve fund	1,000	(1,000)	—
	109,735	616	110,351
	142,715	295	143,010

13 Designated funds (continued)

	<i>At</i> <i>1 April</i> <i>2020</i> <i>£'000</i>	<i>Transfer</i> <i>(to) from</i> <i>general</i> <i>funds</i> <i>£'000</i>	<i>At</i> <i>31 March</i> <i>2021</i> <i>£'000</i>
<i>Fixed asset fund</i>	34,164	(1,184)	32,980
<i>Other funds</i>			
. <i>Daughters of the Cross fund</i>	38,000	9,000	47,000
. <i>Charitable activities fund</i>	21,036	(2,836)	18,200
. <i>Provincialate fund</i>	25,000	6,000	31,000
. <i>St Raphael's Hospice fund</i>	6,300	(3,600)	2,700
. <i>Worldwide fund</i>	6,062	1,773	7,835
. <i>Adversity reserve fund</i>	—	2,000	2,000
. <i>Income risk reserve fund</i>	—	1,000	1,000
	<u>96,398</u>	<u>13,337</u>	<u>109,735</u>
	<u>130,562</u>	<u>12,153</u>	<u>142,715</u>

The designated funds have been set aside for specific purposes by the trustees out of unrestricted funds, although they may ultimately use such funds for other purposes. It is a policy that income and expenditure either relates to restricted or unrestricted general funds, thus there is no income or expenditure on designated funds. Designated funds are determined by trustees at the end of the year and the increases or decreases are reflected as transfers from unrestricted general funds.

- **Fixed asset fund**

The tangible fixed assets, of which property forms the major part, are of fundamental importance to the charity and without them the charity would be unable to fulfil any of its charitable objectives. The value of the assets is therefore not readily realisable and, to reflect that, their net book value has been established as a designated fund.

- **Daughters of the Cross fund**

This fund is established to ensure the care and support needs of the Sisters is sufficiently met over the course of their lives. The Sisters have carried out the charitable activities of the charity over many decades, so it is essential, as part of the charity's mission, that these Sisters are cared for both during and after they carry out their ministries. The fund is invested for the long-term with the current intention that only the income is spent. This income meets the shortfall of the Sisters' covenanted income over the costs of their welfare, their apostolic activities and the costs of the care of the frail and elderly members. The fund value was slightly decreased this year, from £47m to £45m. The calculation is based upon expected investment income yields in the current post-Covid, high-inflationary economic conditions. The £45m fund allows for sufficient income to be generated to meet the shortfall between Sisters' income and expenditure. In due course, as the number of UK Sisters declines, investment returns may be able to be used to support the former Works and to support the work and welfare of Sisters in the other Provinces around the world.

13 Designated funds (continued)

- **Charitable activities fund**

This fund has been established to help secure the future needs of the charity's current and former Works' and the long-term accommodation and other needs of the Sisters (separate from the day-to-day living costs planned for in the Daughters of the Cross designated fund described above) and is represented by fixed asset investments. The funds are expected to be utilised in the medium to long-term to secure the Works' futures, however some commitments have a much shorter time horizon and so the proportion of the fund held in cash deposits is available for commitments in the coming 12-24 months

- **Provincialate fund**

The Provincialate office of the charity incurs running costs each year, which are met from investment income. For the foreseeable future the office will be required to support the Sisters and to be the central administration function of the whole charity. In order to meet these ongoing running costs, this fund has been established to provide the necessary income. The fund remains at the same level as the previous year. To cover the full cost of the central office functions with the income generated by the investments, a much bigger fund would need to be created. However, the fund level of £31m represents the amount that trustees are currently able to designate for this purpose.

- **St Raphael's Hospice fund**

The St Raphael's Hospice fund was set up with a total of £6.3m which included the £3.6m that was paid to the Hospice upon separation in 2020. The remaining £2.7m balance as at 31 March 2022 may be utilised by the Hospice in the medium term to develop the buildings and infrastructure, and is held as a contingency against medium-term performance against thirteen strands of the 5-year business plan.

- **Worldwide fund**

This fund is to provide grants to enhance or develop the work of the Worldwide Congregation, as agreed with the Superior General and her Council. The fund is made up of investment assets and distributes 85% of its net income as grants to overseas Provinces of the Worldwide Congregation. The fund is to be held in the long-term to provide ongoing support to developing the Sisters' work around the world.

- **Other designated funds**

The adversity reserve fund (to provide availability of liquid funds in case of an adverse event) and income risk reserve fund (to provide a liquid reserve in case of an exceptional dip in net income) were both discontinued during the year.

14 Analysis of total net assets between funds

	General fund £'000	Tangible fixed asset fund £'000	Other designated funds £'000	Restricted funds £'000	Total funds £'000
Fund balances at 31 March 2022 are represented by:					
Tangible fixed assets	—	32,713	—	—	32,713
Fixed asset investments	3,798	—	107,451	1,452	112,701
Net current assets	5,910	(54)	2,900	121	8,877
Other liabilities	(168)	—	—	—	(168)
Total net assets	9,540	32,659	110,351	1,573	154,123
	General fund £'000	Tangible fixed asset fund £'000	Other designated funds £'000	Restricted funds £'000	Total funds £'000
<i>Fund balances at 31 March 2021 are represented by:</i>					
<i>Tangible fixed assets</i>	—	32,995	—	—	32,995
<i>Fixed asset investments</i>	—	—	105,867	1,449	107,316
<i>Net current assets</i>	6,614	(15)	3,868	84	10,551
<i>Other liabilities</i>	(170)	—	—	—	(170)
<i>Total net assets</i>	<i>6,444</i>	<i>32,980</i>	<i>109,735</i>	<i>1,533</i>	<i>150,692</i>
				2022 £'000	2021 £'000
Unrealised gains included above:					
On tangible fixed assets				2,463	2,696
On investments				20,028	18,909
Total unrealised gains at 31 March 2022				22,491	221,605
Reconciliation of movements in unrealised gains and losses					
Unrealised gains at 1 April 2021				21,605	8,618
Less: net gains arising on investment revaluations				916	13,017
Less: depreciation on revalued fixed assets				(30)	(30)
Total unrealised gains at 31 March 2022				22,491	21,605

The revaluation reserve, as required by the Companies Act 2006, is equivalent to the total unrealised gains, shown above.

15 Related party disclosures

Sisters

The Sisters of the Congregation are beneficiaries of the charity, in that the costs of their ministry and welfare are met by the charity. The trustees are all Sisters and they are not remunerated for their services. No trustee had any beneficial interest in any contract with the charity.

The trustees, as Sisters of the Congregation, covenant their pensions and other income to the charity. During the year the six trustees covenanted an aggregate of £115,055 to the charity (2021 – £116,967).

International Generalate

Until September 2021, The International Generalate occupied St Joseph's Convent in Cheam, Surrey and paid a nominal annual rent to the English Province. The lease was terminated when the Generalate relocated to Rome in September 2021.

Worldwide Congregation

The Sisters are members of the worldwide Congregation of the Daughters of the Cross of Liege and the charity has objects which are not restricted to the UK. Total grants of £146,000 (2021 – £162,000) were made during the year to the worldwide Congregation. Grants were made for projects in Rourkela (India), Nepal and Cameroon.

St Raphael's Hospice

Two trustees of this charity; Sister Veronica Hagen and Sister Kathleen O'Reilly are trustees of the St Raphael's Hospice charity. On 31 October 2020 certain assets and liabilities were transferred from the Daughters of the Cross of Liege to the new St Raphael's Hospice charitable company. During 2022 a grant of £Nil (2021 – £3.6m) was given by the Daughters of the Cross of Liege, to St Raphael's Hospice. The charity and the Hospice entered into three 20-year lease agreements for the Hospice building, the 759 London Road office, and St Bede's conference centre. All three leases have a nominal rent of £100 per annum.

St Elizabeth's Centre

Two trustees of the Daughters of the Cross are trustees of St Elizabeth's Centre; Sister Veronica Hagen and Sister Josephine Clemence. Currently three Sisters reside in the Much Hadham Convent, which is situated on the site owned by St Elizabeth's Centre, in line with the transfer agreement signed in 2018. During the year St Elizabeth's paid the Daughters of the Cross of Liege £Nil (2021 – £1,000) in rent for the use of St Anne's Cottage.

16 Pension commitments

The Works contribute to pension schemes, providing pensions under both defined benefit and defined contribution arrangements.

The assets of the funded schemes are held independently of the charity's finances.

16 Pension commitments (continued)

Details of the contributions are as follows:

Name	Type of Scheme	Administrator	Contributions in year	
			2022 £'000	2021 £'000
Holy Cross Hospital	Defined benefit	NHS Pension	13	13
Holy Cross Hospital	Defined contribution	The People's Pension	121	90
St Raphael's Hospice	Defined contribution	Aegon Pension	—	73
St Raphael's Hospice	Defined benefit	NHS Pension	—	25
Province	Defined contribution	The People's Pension	19	11
Non-scheme contributions			11	11
			164	223

National Health Service (NHS) Pension Scheme

The NHS pension scheme is a defined benefit scheme operated by the National Health Service Superannuation Scheme. The administration of the scheme is dealt with by the National Health Service Pension agencies. The charity is unable to identify its share of the underlying assets of the scheme. Accordingly, it has accounted for its contributions as if it were a defined contribution scheme. Contributions to this scheme are paid in respect of current service. There is no liability to the charity in respect of past service.

17 Leasing commitments

Operating leases

At 31 March 2022 and 31 March 2021 the charity had no commitments under non-cancellable operating leases for land and buildings.

18 Contingent asset

Several years ago the charity paid a proportion of the estimated buy-out total requirement into the St Elizabeth's Centre Final Salary Pension Scheme, in order to facilitate a buy-out of the Scheme by an insurance provider. Subsequently, the charity was informed by the Scheme Trustee that the amount paid was greater than the total sum required by the insurer for the Scheme to be bought out. The charity's position is the surplus amount should be returned to the charity. It is not possible to reliably estimate the amount due to the charity, or when it will be received, as negotiations with the Scheme are not yet complete and the amount is subject to the finalisation of costs of the negotiations and the winding-up process, which must be met from the Scheme.

19 St Raphael's Hospice

With effect from 31 October 2020, the activities and net assets of St Raphael's Hospice were transferred to an independent charitable company, St Raphael's Hospice Ltd. The value of the net assets at 31 October 2020 are detailed below:

	£'000
Fixed assets	634
Debtors	1,027
Cash	2,778
Current liabilities	(740)
Net assets	3,699

19 St Raphael's Hospice (continued)

The net assets transferred represented:

	£'000
Fixed assets fund	634
General fund	2,741
Restricted funds	324
	3,699

The net assets shown above, split by fund are how the funds are represented within the Hospice's own accounts. In the charity's aggregated accounts, the Hospice funds are shown as all being restricted. The income and expenditure relating to St Raphael's Hospice for the period until the transfer are defined as relating to discontinued activities within the prior year comparatives of these financial statements.

20 Capital Commitments

As at 31 March 2022 the charity had commitments of £140,000 for projects at Cheam and Haslemere.

21 Post balance sheet events

There are no post balance sheet events that require disclosure.

◆ **Scope**

The financial statements disclose the financial position and results of the charitable company, which incorporate and aggregate the results of the Province with its Works which were:

- ◆ Holy Cross Hospital, Haslemere, Surrey
- ◆ St Raphael's Hospice, Cheam, Surrey (from 1 April 2020 – 31 October 2020)

As at 31 March 2022, the five existing Communities were: Cheam St Mary's, Surrey; Chelsea, London; Haslemere, Surrey; Much Hadham, Hertfordshire; Stillorgan (Dublin), Ireland.

◆ **Assets and liabilities**

Cash

Cash is held in hand, in bank accounts available on demand, or on term deposits with an expiry date within three months of the balance sheet date at the date of acquisition.

Creditors

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt.

Debtors

Debtors are recognised at their settlement amounts, less any provision for non-recoverability. Prepayments are valued at the amount paid in advance.

Provisions

Provisions are recognised when there is a present obligation as a result of a past event, it is probable the charity will be required to settle the obligation, and a reliable estimate of the amount can be made. The amount recognised as a provision is the best estimate of the consideration required to settle the obligation as at the balance sheet date.

Investments

Investments are held mainly in companies quoted on world stock exchanges (or in funds which invest in the same way), bonds, and property funds, partly for the purpose of generating income and partly to maintain the value of the charity's funds. They are initially recorded at cost, and at the balance sheet date are valued at fair value (the value for which they could be sold).

Gains or losses are included in the statement of financial activities as part of net income or expenditure.

Investment property is included at open market value.

◆ **Assets and liabilities** (continued)

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, less accumulated depreciation and, where appropriate, impairment provisions. All assets costing £5,000 or more, and with an expected useful life exceeding one year, are capitalised. A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of any fixed asset may not be recoverable.

The majority of freehold land and buildings under the total control of the trustees and in use within the charity were valued at 31 March 2014 on a depreciated replacement cost or an existing use basis. Under the transitional arrangements set out in FRS 102, the valuations are deemed to be equal to cost at the date of transition. Subsequent additions are stated at cost.

Depreciation is calculated at the following annual rates in order to write down each asset to its estimated residual value over its estimated useful life:

Freehold buildings	2 - 5% on cost or revalued amounts
Leasehold property	over the period of the lease
Medical, computer and office equipment	4 - 33% on cost
Motor vehicles	10 - 25% on cost

No depreciation is provided on freehold land or assets in the course of construction.

Term deposits

Term deposits comprise monies held with deposit-taking institutions with terms longer than three months.

Financial instruments

The charity only holds basic financial instruments and accounts for these in accordance with FRS 102. The financial assets and financial liabilities of the charity and their measurement basis are as follows:

Financial instruments

Financial assets – Other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank – Classified as a basic financial instrument and is measured at face value.

Financial liabilities – accruals and other creditors are financial instruments and are measured at amortised cost.

◆ **Basis of accounting**

Accounting convention

The financial statements have been prepared under the historical cost convention with items initially recognised at cost or transaction value unless otherwise stated in the relevant accounting policy note.

◆ **Basis of accounting** (continued)

Accounting convention (continued)

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 (Charities SORP FRS 102);
- ◆ the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102);
- ◆ the Charities Act 2011; and
- ◆ the Companies Act 2006.

The charity is a public benefit entity as defined by FRS 102.

Critical accounting estimates and areas of judgement

The trustees consider that the judgements they have made in the process of applying the charity's accounting policies which give rise to significant effects on the amounts recognised in the financial statements are:

- ◆ The value of the provision;
- ◆ The estimated useful lives of fixed assets and therefore the rates of depreciation; and
- ◆ The future commitments and other obligations that are used to establish the value of designated funds.

In addition to the above, the lasting impact of the global coronavirus pandemic still has some unknowns. For example, valuations used in the financial statements, particularly with respect to the investment properties and listed investments are subject to a degree of uncertainty and volatility.

The trustees do not consider that there are any key assumptions concerning the future, or any other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Going concern status

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements and they have made this assessment in respect of a period of one year from the date of approval of these financial statements.

◆ **Basis of accounting** (continued)

Going concern status (continued)

The trustees are acutely aware of the effect that Covid-19 has had on the charity's finances and operations. The ability to generate income, be that through fundraising channels, care fees from admitting new patients, or investment income has been very difficult and government assistance has been crucial in keeping certain parts of the charity running without large deficits. However, the trustees are confident that the charity has, and will continue to have, sufficient resources to meet its liabilities as they become due.

The trustees have concluded that there are no material uncertainties related to events or conditions that would cast significant doubt on the ability of the charity to continue as a going concern. This is because they believe they have sufficient unrestricted reserves to withstand any temporary drop in income or any additional unexpected liability.

◆ **Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and is inclusive of irrecoverable VAT.

Expenditure on raising funds

This represents the costs of fundraising and of generating voluntary income. It includes the running costs of the charity shops, as well as the salaries of fundraising staff. It also includes the fees charged by investment managers for managing the charity's investments.

Pension costs

- ***Defined benefit schemes***

The charity contributed to one defined benefit pension scheme, the NHS Pension Scheme, providing benefits based on either final or career-average pensionable salary, depending on the scheme. The National Health Service Superannuation Scheme is a multi-employer defined benefit scheme and is an unfunded scheme. As it is not possible to identify the share of the underlying assets and liabilities belonging to individual participating employers, the contributions to the scheme are recognised in the statement of financial activities so as to spread the cost of pensions over employees' working lives.

- ***Defined contribution schemes***

The charity operates a number of defined contribution pension schemes. The amounts charged to the statement of financial activities represents the employers' contributions payable to the schemes in the year.

Support costs, including Governance

All direct costs associated with the Works are accounted for by them and reflected in their expenditure, including their own support costs.

◆ **Expenditure** (continued)

Support costs, including Governance (continued)

The central costs of the charity are the support costs and these support the Works and the welfare and work of the Sisters. Where costs relate specifically to an activity, they are allocated to that activity. The other general support costs are allocated on the basis of the cost and time the central Province team spend on each activity.

Included within support costs are those which relate to the governance arrangements of the charity. These are principally audit fees, the cost of legal and other professional advice to the trustees and staff costs associated with meeting constitutional and statutory requirements. Nothing is included for trustees, as there is very little extra trustee-cost over and above their welfare and ministry costs as Sisters of the Congregation.

◆ **Fund accounting**

Restricted funds

The restricted funds are funds which have been raised for a specific purpose or which are subject to restrictions on their use and include those funds which have to be spent at a particular Work. Restricted funds raised for capital expenditure are released to unrestricted funds once they have been spent. Any income, gains or losses arising from the assets underlying the restricted funds form part of restricted funds.

The restricted funds include all the general funds of the charity's hospice, up to 31 October 2020, at which point they were transferred to the new St Raphael's Hospice charitable company.

Designated funds

Designated funds are those funds earmarked by the trustees for a specific purpose. They are unrestricted, and the trustees may ultimately use such funds for other purposes. Any income, gains or losses on the assets underlying the designated funds form part of general unrestricted funds.

The funds represented by the net book value of fixed assets are treated as designated funds.

General fund

The general fund represents unrestricted and undesignated monies used to fund working capital and which the trustees may use at their discretion in furtherance of the charity's objects.

Revaluation

Investments are stated at valuation and most tangible fixed assets were stated at valuation until 31 March 2014, when under the transitional arrangements set out in FRS102, the charity elected to treat property valuations prior to 1 April 2014 as their deemed cost at that date. All the fund balances, including restricted and designated funds, include a revaluation element. The notes give details of the amounts included at the balance sheet date.

◆ **Income**

Income is recognised in the period in which the charity is entitled to receipt, the amount can be measured reliably, and it is probable that the funds will be received.

At the end of any financial year, the charity will have issued invoices to local authorities, health authorities, and individuals which cover a period beyond the balance sheet date. This income is carried forward and disclosed as "Income received in advance".

In accordance with the Charities SORP FRS 102, no financial valuation of volunteer time is recognised in these financial statements.

Donations and legacies

- ◆ Donations represent income given by individuals, corporations and trusts including recoverable taxation.
- ◆ Legacies are included in the statement of financial activities when there has been a grant of probate, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the charity.
- ◆ Covenanted income from the Sisters of the Congregation arises from the donation of their pensions and other income.

Grants receivable

Grants receivable are accounted for in the period in which they fall due. Grants from the government and other agencies are included as income from charitable activities where they amount to a contract for services, and as donations where the money is given in response to a fundraising appeal or with greater freedom of use.

Income from charitable activities

- ◆ Fees and charges are derived from individuals and Public Authorities and are stated exclusive of VAT.
- ◆ Other income represents proceeds from the sale of food and sundry other income.

Investment income

Investment income, representing dividends, interest, and income from property, includes any associated tax recoverable. Dividends are recognised once the dividend has been declared and when the right to receive the dividend payment is irrevocable.

THE CONGREGATION OF THE DAUGHTERS OF THE CROSS OF LIEGE

England & Wales - Charity number 1068661

Accounts

**The Congregation
of the Daughters
of the Cross
of Liege**

**Annual Report and Financial
Statements**

31 March 2021

Company Registration Number: 03492921

Charity Registration Number: 1068661

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1 Summary of activities

The activities of the charity during the year under review can be considered under two headings.

- ◆ The ministry of the Sisters
- ◆ Healthcare provided at;
 - ◆ Holy Cross Hospital, Haslemere, Surrey

Hospital for the treatment of neurological disability and similar long-term conditions

Senior Officer: Ross White

Website: holycross.org.uk.

The Hospital has 40 beds, over 50 in-patient beneficiaries, 144 employees and 25 volunteers.

- ◆ St Raphael's Hospice, Cheam, Surrey

Care of the dying and their families both in the Hospice itself and in the local community

Senior Officers: Gail Linehan and Nick Stevens

Website: straphaels.org.uk

The Hospice has an extensive outreach service, as well as its 14 beds, 140 employees and 247 volunteers.

St Raphael's Hospice was transferred into an independent charitable company on 31 October 2020. Please see Section 9.3 of this report.

These activities are supported by a small central staff who deal with statutory and charity-wide matters, including monitoring the investments and funding Sisters' Communities. The central administration also encompasses the lay staff caring and providing house-keeping for elderly Sisters in Haslemere, Chelsea, Cheam, and Stillorgan, Ireland.

1 Summary of activities (continued)

Our finances

	2021	2020
Total expenditure	£17.0m	£17.1m
Total income	£13.8m	£16.7m
Net expenditure	£(3.2m)	£(0.5m)

These amounts are achieved before investment and other gains and losses and, for 2021, before the transfer of the St Raphael's Hospice.

Our people

	2021	2020
Total staff costs	£8.6m	£10.1m
Employees	278	310
Volunteers	272	861
Sisters (also volunteers)	41	44

2 Trustees

The trustees who served during the year are:

Sister Veronica Hagen

Chair and Chief Executive of the Charity
Provincial Superior and Chair of the Provincial Council

Sister Mary McGinn (aka Sister Mary Geraldine)

Provincial Bursar

Sister Annette Clemence*

Sister Anne Kelly*

Sister Maureen O'Brien* (resigned 11 September 2021)

Sister Kathleen O'Reilly*

* Members of the Provincial Council

Trustees' thanks

None of the charity's work could be achieved without the dedicated loyalty of all the staff employed by the charity, the efforts of all the full-time and part-time volunteers (nearly 300), the commitment and effort of the 41 Sisters (2020 – 44 Sisters) or without the continuing generosity of its donors and supporters and input of its advisers.

The trustees are also extremely appreciative of all the members of the Advisory Committees who contribute to the charity's work by devoting their time and expertise.

To all these groups, the trustees offer their grateful thanks and their prayers.

Strategic Report

3 Introduction

The trustees are pleased to present their report, together with the financial statements of The Congregation of the Daughters of the Cross of Liege, for the year ended 31 March 2021. The trustees' report, including the strategic report, has been prepared in accordance with Part 8 of the Charities Act 2011 and also constitutes a directors' report for the purposes of the Companies Act 2006.

The financial statements are presented in accordance with the accounting policies on pages 61 to 66 and comply with the requirements of the Charities Act 2011, the Companies Act 2006, the charity's Memorandum and Articles of Association, applicable laws, United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice), and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP FRS 102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

4 Charity's aim and objects

The aim of the charity is to provide a legal framework in the UK for the Sisters to follow their calling and to meet the obligations set out in their own Constitution.

Sisters have been working in the UK since 1863 when the English Province was established. In 1910 the Sisters' work was given a more formal framework under a trust deed and in 1998 the activities were transferred to a charitable company limited by guarantee, the objects being based on their Constitution. The charity is established to:

- ◆ advance religion, by establishing and maintaining residencies for the Sisters of the Congregation.
- ◆ advance religion, advance education and relieve poverty and suffering, by direct activity in the community and by all other charitable means, including giving alms to the needy.
- ◆ relieve poverty and suffering, by establishing and maintaining hospitals, hospices, nursing homes and residential homes for the sick, elderly and needy.
- ◆ advance education, by establishing and maintaining educational institutions in accordance with Canon 803 of the Code of Canon Law.
- ◆ carry out any other charitable purpose for the benefit of the community as the trustees shall from time to time determine.

4 Charity's aim and objects (continued)

For the Sisters, Religion is the commitment to love and serve God as expressed in their vows, and is and always has been the centre of their lives and everything they do. Thus, to them, Religion is not just about worship and prayer but encompasses, among other things, teaching and caring for others. To quote from the Sisters' Religious Constitution "They serve Christ in the works of general and special education, the care of the sick and the aged, abandoned children, the physically, psychologically and mentally challenged, the socially deprived, local pastoral work and the various needs of the Church". The Sisters do not see the above objects as separate activities but as all part of the one Religious life they have chosen.

The Religious commitment of the Sisters permeates all of the charitable activity done in the name of the Province and the charity.

5 Activities

The trustees are pleased that during the year the charity has continued to provide a range of excellent services, which are all underpinned by the ethos and charism of the Sisters. The charity's services continue to be much needed in their locality and wider afield.

Over 1,000 people have been helped with their care, health, or medical needs in a very challenging financial and social environment, which has been exacerbated this year with the pressures of operating through the Covid-19 pandemic and national lockdowns. Management, staff, and volunteers across the charity do a wonderful job in providing excellent services to beneficiaries with good or outstanding results from the various inspections that take place over the course of a year.

The Sisters, in Communities in England and Ireland continue to bring assistance, enthusiasm, support, and compassion to all those with whom they interact, whilst at the same time offering a spiritual dimension to their lives.

During the 158-year existence in England of the Daughters of the Cross, they have established many different activities around the country to meet the needs of the locality and the community at the time. As people's needs and the social and economic environment have changed, activities have been adapted, closed, sold or given to others to manage.

The individual activities, strategies and operations of the "Works" (as the Sisters refer to them) are different from each other and for this reason a separate section has been included in this report for each of them.

6 Objectives of the charity

The trustees are continuing to work on their long-term objective of finding appropriate futures for the Works of the charity, with the desire to achieve long-term and financially viable benefits to society, outside of the direct responsibility of the Province. This objective continues to be necessary, as eventually there will be an insufficient number of Sisters with the appropriate skills to continue to be responsible for what are very complex and heavily regulated healthcare operations. Indeed, that St Raphael's Hospice was separated into its own charitable company during the year is an example of the continuing nature of this strategy.

6 Objectives of the charity (continued)

The Sisters will continue to carry out their work in accordance with their Constitution, for as long as each of them is able to do so. Where necessary, trustees take advice from independent professional advisers.

These two objectives of running the Works and working to secure their long-term futures are both short and long-term because, from trustees' past experience, it is impossible to control how quickly separate futures can be organised.

7 Strategic plans

- ◆ Ensure that the Sisters have the means to enable them to live their lives as spiritually and actively as possible.
- ◆ Ensure that the senior management of the charity have the required capacity and capability to run the day-to-day operations of the charity in line with their set objectives, including meeting or exceeding all regulatory standards.
- ◆ Provide healthy and safe environments for Sisters, beneficiaries, staff, volunteers, and visitors.
- ◆ Secure the necessary funding to pay for the services being provided.
- ◆ Explore all options and take all necessary advice to find the most appropriate future for Holy Cross Hospital.

8 Achievements and performance of overall charity and criteria for success

By the nature of the charity and the work of the Sisters, its success is in continuing to provide the highly-specialised staff, appropriate facilities, and the infrastructure to look after people who are all in need of considerable care and attention every day. For some of the beneficiaries at Holy Cross Hospital, the charity's facilities will be their homes for the rest of their lives, whereas at St Raphael's Hospice, their care may last a short amount of time, and may be in their own home, or within the Hospice building itself. This care has been provided to the required standard or higher and has made a real difference to beneficiaries' lives.

The most significant achievement during 2020/21 was completing the separation of St Raphael's Hospice from this charity and moving the assets and operations across into the new St Raphael's Hospice charitable company. This was achieved on 31 October 2020, thanks to many years of work from the trustees, the Hospice management (both previous and current) and the advisory committee of the Hospice, many of whom have gone on to become trustees of the new charity. This event is the latest in a series of successful transferring of the Works of this charity, into new independent futures.

Holy Cross Hospital cares for people with complex neurological disabilities or illnesses caused by accidents or from degenerative illnesses. This year the Hospital has had an average of over 90% in-patient occupancy, during what has been a very difficult time to run a Hospital such as this, with patients who are extremely vulnerable to a virus such as Covid-19.

8 Achievements and performance of overall charity and criteria for success (continued)

During the seven months from April 2020 to October 2020, St Raphael's Hospice has provided terminal care and support for over 1,000 people both within the Hospice and at their own homes, and in many cases has supported their families and friends. In all cases the beneficiaries are given the best quality of life that they are able to experience.

The Sisters have continued ministering amongst the staff and beneficiaries within both of the Works, in their local parishes, and in other places in which they volunteer.

There are many other achievements described in the rest of this report.

In what continues to be a very challenging financial and social environment, continuing this much-needed work is in itself a success. Other criteria that the trustees use to measure success and receive assurance from are:

- ◆ Reports and feedback from external regulators, particularly the Care Quality Commission (CQC) and from the various local authorities which commission the services.
- ◆ Internal inspections and organised visits that the Works are meeting or exceeding the required standards.
- ◆ Advisory Committee reports and the discussions at Advisory Committee meetings.
- ◆ Feedback from beneficiary surveys, both formal and informal.
- ◆ What they see and hear when talking to staff, beneficiaries and others connected with the services.
- ◆ Standing agenda item at each regular trustee meeting to have an update from each of the Works regarding any significant matters that are currently being managed, e.g. that complaints are fully dealt with and revised procedures put in place where necessary.
- ◆ Generating financial surpluses which can be reinvested in facilities and services.

The trustees are satisfied that the charity had another successful year, albeit that Covid-19 continued to put a great strain on the day-to-day operations at each of our locations, particularly in the early stages of the virus hitting the UK as access to PPE was difficult and some staff were placed on furlough as charity shops were closed and fundraising events were postponed or cancelled. The financial effects of the pandemic will be felt for some time across the charity in areas such as increased costs of PPE and beneficiary safety, and reduced income from investments and public fundraising, where events were cancelled and the ability to fundraise effectively was severely curtailed by staff working from home and the public cutting back on charity donations in a time of financial worry for many households. The charity recorded a deficit before investment gains are accounted for. The financial performance is explained in more detail in the financial review section.

9 Reports on each part of the charity

9.1 Sisters' activities

The involvement of the Sisters makes this charity different from many other charities; they are trustees, part of management, donors, and beneficiaries. The trustees, like all our Sisters, covenant their pensions and salaries to the charity. Having taken a vow of poverty they have no financial resources of their own and they are provided for by the charity as beneficiaries. The Sisters have spent their entire working lives in one or other of the past or present Works and when they reach their later years the charity continues to care for them. As Sisters age, the care and support they require in their Communities is gradually increasing.

The Sisters continue to fulfil the objects set out in both their Religious Constitutions and in the charitable company's Memorandum and Articles of Association (amended in 2019), despite the advancing age and frailty of some of the members. The Sisters provide in-house facilities in England and Ireland to meet the need of their growing number of very frail and sick members, who need full time care. The Provincial Superior and Provincial Bursar are members of Conference of Religious in England and Wales and the Association of Provincial Bursars respectively and participated in the Annual Conferences.

Whether the Sisters reside on site at one of the Works or in one of the smaller convents, they continue to minister as volunteers both within our own major Works, as well as in previously Daughter-owned Works, which are now standalone charities. With the onset of lockdown and the required access restrictions, an increased use of digital platforms allowed the Sisters to continue to offer these supports.

Sisters also minister in their localities. Where there is a need to be met, the Sisters endeavour to meet it or offer support. Their individual ministries include being members of the various Management Teams and Advisory Committees. At any one time, up to six Sisters undertake trustee duties of the charity and four of our Sisters are serving as trustees for the recently established standalone charities. This support has continued throughout the year by using digital access. There were periods due to Covid-19 when CQC provider and Trustee on-site visits could not take place. Regular checking in with local leadership teams reassured the trustees that we are meeting both the regulatory requirements and our own Christian company's values and objectives.

Sisters are also working or volunteering as Hospital/Hospice Chaplains or as Pastoral Assistants supporting the spiritual needs of pupils, patients, staff and relatives. Others are appointed to guide and support groups of the laity who are known as Associates of the Daughters of the Cross, while Sisters also volunteer in various organisations including RESULTS and JPIC, as well as offering practical support in local care homes, hospices and day facilities. Sisters are involved in school and college governance, in bereavement counselling, and counselling those with learning disabilities. Our charity has supported local ecumenical projects that offer practical help to the homeless and people on low incomes and have continued to support a national charity for trafficked people.

9 Reports on each part of the charity (continued)

9.1 Sisters' activities (continued)

The Sisters normally spend time on retreat each year in silent contemplation and prayer, the purpose being to deepen their own spiritual life and to reflect on and evaluate how they are fulfilling their commitment to helping those most in need.

The Province's frail and elderly Sisters are cared for in appropriately adapted accommodation in Haslemere, Surrey and in Stillorgan, Ireland within a Community setting and with the help of lay staff. The costs are significant, but it avoids the need for Sisters to go into the full-time and even more expensive care of others.

Sister Communities are also supporting adult groups known as Associates of the Daughters of the Cross. These are people who wish to embrace the Charism and Ethos of the Congregation and who in turn support the Congregation's ministries with their prayers. The English Province Sisters support Associates in Carshalton, Cheam, Jarrow and Much Hadham in England, Stillorgan in Ireland and Tracy in the USA, and there are other groups of Associates in many of the countries in which the Congregation works.

9.2 Holy Cross Hospital

Activities

Working in close co-operation with the NHS (from which most patients are referred), Holy Cross Hospital provides high quality inpatient services to adults with severe and complex neurological disabilities or illnesses that may arise from acquired brain injury, spinal cord injury or advanced stage of degenerative illness. It also has a physiotherapy centre which houses the hydrotherapy pool, enhancing the treatment of some inpatients and providing excellent facilities for outpatient treatment. The Hospital makes the benefits of physiotherapy and hydrotherapy available to as many local people as possible. The Hospital is also able to provide short-term rehabilitation and respite care.

Most of the inpatients referred to the Hospital have been in contact with statutory services and most of the Hospital's income is derived from NHS Clinical Commissioning Groups (CCGs) and Local Authorities, who are responsible for funding such healthcare services.

The Hospital aims to achieve the best possible quality of life for all those using its services, with a high priority being given to engaging the support and participation of family members. Some patients require access to the Hospital's services over prolonged periods, therefore great effort is devoted to making the environment as home-like as possible, to which donations and the work of volunteers make a major contribution.

Strategies

- ◆ Provide services that are complimentary to those available locally through the NHS and to do so in co-operation with statutory authorities and other healthcare professionals.

9 Reports on each part of the charity (continued)

9.2 Holy Cross Hospital (continued)

Strategies (continued)

- ◆ Continue to develop services in neuro-disability and associated rehabilitation of physically disabled adults by increasing the knowledge and expertise of staff, collaborating with the NHS and other professionals and by improving facilities.
- ◆ Operate the physiotherapy centre as a service to local people, offering high quality and accessible physiotherapy services and classes.
- ◆ Provide comprehensive training programmes for staff and make these available as appropriate to other local care providers and agency staff.
- ◆ Maintain the ethos of the Hospital and the Congregation.

Objectives and achievements

The Hospital's plans for 2020-21 included the following objectives:

Objective	Achievement
Design and implement a new electronic patient records system	Not yet achieved. During the year the decision was taken to move away from implementing an off-the-shelf product, and a smaller, bespoke system is now being trialled, with more development work taking place throughout 2021/22
Complete the construction of the Treehouse platform	The Treehouse was completed in August 2021
Commence the work to St Joseph's building to extend and convert it into a 10-bed in-patient ward	Due to the effects of the pandemic on current patient numbers, this project remains under review to ensure the most appropriate facilities are developed for the long term
Evaluation of extending the existing offering of out-patient services	This work remains ongoing

The Hospital (40 beds) started the year fully occupied and ended the year with four empty beds. During the year 14 patients died and three patients were discharged. There were 13 new admissions.

The coronavirus pandemic inevitably affected our work during the year. At times the Hospital suspended all visiting, patient activities and outings, and our outpatient services when concerned about high prevalence of the virus in the local community. We stepped up our communication with patients' relatives, including regular email updates and by enabling virtual visits. In addition, virtual outpatient physiotherapy classes were enabled and introduced; e-induction and e-learning was developed to enable staff to continue training safely, and home working was enabled for some of our staff.

9 Reports on each part of the charity (continued)

9.2 Holy Cross Hospital (continued)

Objectives and achievements (continued)

We experienced two virus outbreaks during the year, in April 2020 and January 2021. The first was very limited in scale, but the latter outbreak had much greater impact, tragically leading to the deaths of five patients and one member of staff. This was in spite of our well-practiced infection prevention protocols and having all the necessary personal protective equipment. Vaccination clinics took place in January, February and March 2021, ensuring greater protection for all of our patients and staff, and for the Sisters who live on the site.

The CQC introduced transitional monitoring arrangements, and we were able to satisfy inspectors of our high clinical standards and good governance. We also provided information to the CQC about our extensive preparations and response to the pandemic.

9.3 St Raphael's Hospice

Activities

St Raphael's Hospice provides services and support to the communities of the London Boroughs of Sutton and Merton (a population of approximately 420,000). This is done by providing excellent person-centred palliative and end-of-life care to people at the Hospice, in their own homes or nursing/residential homes. Working collaboratively with colleagues in primary care we support patients receiving the right care in the right place at the right time whilst also being able to offer in-patient care if necessary.

The Wellbeing Centre provides activities and support for both patients and carers. Sometimes activities are integrated, such as yoga; others, for example the monthly lunch clubs, are facilitated separately to enable peer support.

The Hospice welcomes, respects, and supports patients, their families, and its staff and aims to give patients the best quality of life to the very end. It aims to meet the physical, emotional, spiritual and social needs of patients, their families, friends and carers during the final stages of life with attention being paid particularly to patients' ethnic and religious backgrounds.

The Hospice accepts referrals from hospital clinical nurse specialists, district nurses and GPs of patients in the community who are in need of specialist palliative care. It has highly trained specialist doctors and nurses who work both in the inpatient unit and patients own homes. The community palliative care consultant assesses patients and adjusts their medication to provide relief from pain and other symptoms whilst retaining maximum awareness and wellbeing for the patient.

The Hospice at Home service provides professional nursing care and support to patients in their own homes whose preference is to die at home rather than in any other setting.

The psycho-social and pastoral care team, which includes counsellors, a social worker and a pastoral care sister assist the patient and their family and other loved ones during the course of the terminal illness and offer a bereavement service after the death of the patient where appropriate.

9 Reports on each part of the charity (continued)

9.3 St Raphael's Hospice (continued)

Activities (continued)

The Hospice provides extensive education and training on palliative and end-of-life care knowledge and skills for its own staff and for other healthcare professionals including GPs, and nursing home staff. The programme is designed to improve awareness of and support best practice in the delivery of palliative and end-of-life care in all settings. The Hospice continues to take the lead locally in the implementation of the government's end-of-life care objectives and works collaboratively across sectors to improve education and training in palliative and end-of-life care.

Strategies

- ◆ Ensure patient-centred care is central to everything we do; this care extends to their family and friends.
- ◆ Build on the existing high-quality team of volunteers in order to maximise the benefits to patients and the volunteers' satisfaction in working with them.
- ◆ To focus on excellent services, raising the visibility of the Hospice within local communities, and engaging better with these local communities in order to serve them better.
- ◆ Maintain the ethos of the Hospice and the Congregation.

Objectives and achievements

The Hospice had the following objectives for 2020-21:

Objective	Achievement
Set a date for independence and complete the transfer of activities into the new charity	Having been delayed from 31 March 2020, the new separation date of 31 October 2020 was set, in collaboration with the trustees of the new St Raphael's charity. Separation was achieved on this date, with all staff successfully TUPE'd across, CQC registration transferred and operations continuing smoothly throughout the period. A grant of £3.6m was made by this charity to St Raphael's Hospice to assist them in the early phases of the 5-year plan
Deliver on the first phase of the 5-year strategy	The Hospice continues to work through the first phase of the business plan; to reach financial sustainability without reliance on the financial assistance of the Sisters, or on exceptional legacies. This work was started during the pandemic and is ongoing
Manage the Covid-19 situation	Steps taken included restricting footfall on site, arranging sufficient and appropriate PPE and staff protocols (particularly for front-line staff), cancelling fundraising events and closing shops, furloughing staff, and working from home where possible.

9 Reports on each part of the charity (continued)

9.3 St Raphael's Hospice (continued)

Objectives and achievements (continued)

This year the Covid-19 pandemic has affected all operations at the Hospice. It agreed to provide additional capacity to the NHS, found new ways of working to ensure services could keep running throughout lockdowns and other restrictions. The Hospice benefitted from grants made available to the hospice sector by HM Treasury, as well as using the Coronavirus Job Retention Scheme and receiving business grants from local authorities where shops are located.

The separation of the Hospice involved the Province gifting the new charity the operational net assets, and leasing the land and buildings to the Hospice at a peppercorn rent, on a 20-year lease.

St Raphael's financial performance is heavily reliant on donations from the general public. Net expenditure (excluding contributions from the Congregation) at the Hospice for 7 months in 2020-21 was £347k, compared to last year's deficit of £77k. There was a 63% decrease in donations and legacies compared to 2019/20 (£1.1m down from £3m), with total income down by 46% to £3.3m. The cost of charitable activities decreased by 40% from £4.2m to £2.5m and the cost of fundraising went down by 43% to £1.21m from £2.1m.

10 Volunteers

The Sisters are Apostolic Religious volunteers and the whole of their lives is given to helping those in need.

The trustees and the management teams at each of the Works are very grateful to the hundreds of volunteers around the charity who give freely and generously of their time and who bring enthusiasm and dedication and make an enormous contribution to the lives of the beneficiaries. During the pandemic, and the risks associated with it, many volunteer roles were temporarily stood down. However, there was still a tremendous contribution made to the core services of the Works by the volunteers over the past year.

At Holy Cross Hospital volunteers make a significant contribution to the activities of the Hospital. They contribute to patients' quality of life by supporting social activities in the "Living Room" and outside in the wider community by helping with transport, outings, and fundraising through the Friends of Holy Cross Hospital.

At St Raphael's Hospice there were approximately 200 volunteer roles undertaken during the period.

11 Financial Review (including reserves)

Results

A high-level analysis of the operating deficit and the overall results is as follows:

2021	Works £'000	Sisters* £'000	Total 2021 £'000	Total 2020 £'000
Cost of providing services	(9,902)	(2,461)	(12,363)	(14,165)
Grant to St Raphael's Hospice	—	(3,600)	(3,600)	—
Charitable activities' income	8,430	—	8,430	8,387
St Raphael's non-grant income (net)	282	—	282	2,299
Operating deficit	(1,190)	(6,061)	(7,251)	(3,479)
Other charity net income	3,975	—	3,975	2,999
Operating surplus/ (deficit) after other income	2,785	(6,061)	(3,276)	(480)
Transfer of St Raphael's Hospice			(3,699)	—
Investment gains (losses)			17,521	(8,415)
Net expenditure			10,546	(8,895)

2020	Works £'000	Sisters* £'000	Total 2020 £'000	Total 2019 £'000
Cost of providing services	(11,376)	(2,789)	(14,165)	(26,473)
Charitable activities' income	8,387	—	8,387	18,677
St Raphael's non-grant income (net)	2,299	—	2,299	1,944
Operating deficit	(690)	(2,789)	(3,479)	(5,852)
Other charity net income	2,999	—	2,999	4,034
Operating surplus/ (deficit) after other income	2,309	(2,789)	(480)	(1,818)
Transfer of St Elizabeth's Centre			—	(28,366)
Investment (losses) gains			(8,415)	3,022
Net expenditure			(8,895)	(27,162)

*Members of the Congregation

Amounts quoted for the Works in their own sections may not agree in total to these charity-wide figures, as their results are spread across several headings in the Statement of Financial Activities and in practice they do not suffer the central support costs of the charity which, under Charity SORP FRS 102, have to be spread across all activities. Each part of the charity is affected by both common and individual issues, and explanations are given in their own sections of this report of their financial effects, and what trustees and management are doing to improve their financial situations.

11 Financial Review (including reserves) (continued)

Results (continued)

The operating deficit of £7.2m is a £3.7m worsening on last year's result (mainly due to the £3.6m grant given to St Raphael's Hospice), however the other net charity income (predominantly investment income and Sisters' salaries and pensions) increased to £3.98m (2020 - £3m). These outcomes combined resulted in an operating deficit after other income of £3.3m, compared to the £0.5m deficit last year, although the separation of St Raphael's part way through 2020/21 makes direct comparisons difficult.

The Works' management teams do an excellent job in maintaining or exceeding the necessary standards whilst coping with the many challenges facing them. These include the pressure on income from the public and local authorities with which the charity works, the difficulty of recruiting sufficient and appropriate staff, and the increasing complexity of the needs of beneficiaries. These challenges appear to be a constant for the foreseeable future.

Holy Cross Hospital has worked hard over recent years to agree a level of fees with CCGs and Local Authorities that cover the full cost of providing the appropriate level of care for its patients. This work has meant that even though bed occupancy levels have been lower this year than in recent years, the Hospital recorded only a small deficit (before charity-wide support costs are allocated), whereas with a lower fee level, losses could have been much greater. Staff costs of £5.4m are 75% of its running costs, which is not unusual in healthcare settings. The Hospital had income from CCGs and Local Authorities of £6.3m, £226k of income from private patients, and £273k of other income. The total cost of running the Hospital before charity-wide support costs was £7.1m.

The Hospice's costs of its charitable activities for the seven months to October 2020 is £2.4m but it only received £1.1m charitable activities income, creating a £1.3m shortfall that is normally bridged through fundraising and trading activities, however, this year UK Government support grants of £718,000 was an enormous help to the Hospice in this period. Net income from fundraising, lotteries and shops amounted to £1.0m, creating a £300k operating deficit this year. Staff costs of £2.6m are 70% of total costs.

The trustees' and managements' focus at both the Hospital and the Hospice is to ensure stable and improving financial operating models, so that they can continue to run successfully into the future.

Investment gains and losses

There were investment gains of £17,521,000 for the year (2020 – losses of £8,415,000). These are explained in the section on Investment management, review and performance.

Reserves policy and funds

The trustees are conscious of the requirement to balance the needs of present and future beneficiaries, especially the Sisters and their needs now and in the long-term. This means that each year they consider whether to increase the proportion of resources allocated to general and designated funds reserves or whether to invest more in fixed assets, staffing, etc. to maintain, improve or develop services to beneficiaries.

11 Financial Review (including reserves) (continued)

Reserves policy and funds (continued)

It is a characteristic of the health sector that staff costs constitute a large proportion of total costs. Free reserves need to be held to meet these costs in the event of a downturn in occupancy or income or any other unforeseen eventuality, and to allow the charity to continue with the provision of services whilst specific action plans are developed and implemented. As such downturns tend to happen quickly and because the continuing costs would still need to be met, these reserves are held in cash.

The trustees consider that, given the level of annual expenditure and the nature of the income and risks of the charity's Works, the level of free reserves required should represent between 3 and 6 months' normal operating unrestricted expenditure. During this period of internal organisational change, as well as managing the significant external risks and a volatile economic environment for at least another 12 months, the trustees consider it necessary that the free reserves of the charity should be towards the upper limit of the reserves policy. This enables trustees to react to adverse events and buys time for when changes are required to be made.

The free reserves, which are funds that are neither restricted nor designated for a defined purpose, are represented on the balance sheet as the General Fund. Once its level is decided, trustees can consider the charity's other needs and what funds are available to be designated.

The General Fund (free reserves) at 31 March 2021 stands at £6.4m (2020 – £5.0m) which represents around 7.4 months (2020 – 5.7 months) of the recurring annual unrestricted expenditure. However, this includes the reduction in the provision, which is one-off in nature. If this is excluded from the calculation, free reserves are at 6 months of expenditure, in line with trustee expectations.

Restricted funds

Restricted funds of the charity relate to the surplus monies which have either been raised or given for, or their use restricted to, specific purposes or which comprise donations subject to donor-imposed conditions. At 31 March 2021 they amounted to £1.5m (2020 – £4.6m), of which £1.4m (2020 – £1.1m) is in respect of a legacy given for the benefit of Holy Cross Hospital. The legacy was partly used to build a Physiotherapy Centre, with the remainder (the restricted fund) being invested so the income generated can fund the maintenance costs and keep the facility running.

Designated Funds

The fixed asset fund amounts to £33.0m (2020 – £34.2m) and relates to those funds invested in tangible fixed assets. Other designated funds are established out of general funds where there is a need to provide funding for a specific purpose. The funds include:

11 Financial Review (including reserves) (continued)

Designated Funds (continued)

- ◆ Daughters of the Cross fund of £47m (2020 – £38m). This fund is established to ensure that the work of the Sisters is continued in the UK and around the world for as long as possible. It is invested for the long-term so that only the income is spent. The income helps to meet the shortfall of the Sisters' covenanted income over the costs of their welfare and apostolic activities, together with meeting the care costs of the frail and elderly members. The amount designated has increased from last year, reflecting the lower yield generated by the listed investments in which these funds are held, as well as recognising that Sisters pensions, the other income stream for the Sisters of the Province, reduces as the number of Sisters declines.
- ◆ Provincialate fund of £31m (2020 – £25m). This fund has been established so that the income from it will meet the running costs of the charity's central core functions. This facility will be required for the foreseeable future as the Provincialate office has no source of income other than investment income.
- ◆ Charitable activities fund of £18.2m (2020 – £21.1m). This fund is invested to underpin the needs of the Works and other charitable activities. These needs are connected with the objective of finding long-term secure futures for the Works and the long-term accommodation and other needs of the Sister beneficiaries. It is difficult at this time of great change, both internally and externally, to calculate the funds which may be required to secure those futures, but this is the maximum amount currently available.
- ◆ St Raphael's Hospice fund of £2.7m (2020 - £6.3m). This fund was established following discussions between trustees and the senior management team at the Hospice regarding possible ongoing support once the separation has been concluded. The amount is made up of two distinct amounts. £3.6m was paid across to the Hospice upon separation, meaning the fund balance now stands at £2.7m, which is being held by the Province as a contingency against the risks of delay, variances against inflation assumptions built into the new business model, and possible volatility in legacy income.
- ◆ Worldwide fund of £7.8m (2020 – £6.1m). This fund is invested to produce annual income to meet charitable needs across the Congregation worldwide.
- ◆ The Adversity Reserve fund of £2m (2020 - £nil) has been established to provide availability of liquid funds in case of an adverse events or set of circumstances that create a significant and urgent financial need. This may include events or circumstances such as providing an indemnity to the final salary pension scheme once it has been wound up, or an event not covered by the charity's insurance policies.
- ◆ The Income Risk Reserve fund of £1m (2020 - £nil) is set up to provide a liquid reserve for the charity in case of an exception dip in net income in the year, caused by exceptional circumstances such as seen during the Covid-19 pandemic. This will provide immediate cash funds to both The Province and Holy Cross Hospital so that normal operations and cashflow are not negatively impacted. A short-term dip in income may arise from either a drop in investment income at The Province, or from a sudden loss of fee income at Holy Cross Hospital, where its own reserves may be protected for future use, by the availability of cash from this designated fund.

Other than the tangible fixed assets fund, £105.8m (96%) of the £109.7m of designated funds are represented by fixed asset investments.

11 Financial Review (including reserves) (continued)

Overall

The overall position is that total funds have increased over the year by £10.5m (2020 – a reduction of £8.9m). This is due to the £17.5m increase in the value of the investment portfolio, less the £3.6m grant to St Raphael's Hospice and the transfer out of the Hospice's net assets, valued at £3.7m. At 31 March 2021 the charity has total funds of £149.8m (2020 – £150.7m).

12 Investments

Investment policy

The charity's investment objective is to preserve capital value in real terms and to achieve a growing level of income over time. The day-to-day operation of the portfolio is entrusted to three investment management firms, who must each operate in line with our policy. Their approach and strategies are very different, which gives additional comfort to trustees and contributed to the management of the various risks involved in holding investment assets.

The charity has had an ethical investment policy for many years as they believe that the practice of holding investments must be done in line with the Sisters' ethos, values and spirituality. Inevitably this means that some investments cannot be held as they will be incompatible with the values of the Congregation and the teachings of the Catholic Church. Trustees believe that the overall long-term return on the investments need not be materially affected by the ethical restrictions that form part of the overall policy. The investment policy is reviewed every year by the trustees.

The policy states that no charity funds are to be directly invested in companies which generate significant income from armaments, adult entertainment services, or companies which are involved in areas of activity contrary to the sanctity of life. In addition, all investments are screened to check the companies' compliance with the International Labour Organisation standards. For other areas of investment stewardship (for example the environment or corporate governance), the policy is to adopt an "engagement" approach, which means using the charity's position as a shareholder, through its investment managers, to encourage companies to adopt more ethical and socially responsible policies and procedures. The investment managers either internally, or using external agencies, monitor the activities of those companies in which the charity is invested, and the results of that monitoring are considered at all investment meetings. Our managers are asked to either follow-up on issues that they are currently engaging on, or we ask them to start to engage with companies on other topics (usually concerning environmental, governance or societal issues).

The charity's investment policy underwent a thorough review during the year, to ensure it is fit for purpose and relevant to the present and future issues surrounding charity investments, particularly faith charities.

12 Investments (continued)

Investment management, review and performance

The portfolios are invested for the long-term and comprise listed UK and overseas equities and fixed interest stocks, with an exposure to commercial property and other 'alternative' investments. The investments comprise direct company holdings in both equities and bonds, together with pooled funds which are used by each of the managers to gain specific exposure and to manage risk. Income is withdrawn to meet central costs and the needs of the Sisters, and to fund the Worldwide Fund grants.

The portfolios have a significant exposure to UK and overseas equities and the trustees therefore accept that there will be considerable volatility in values. The asset allocation is continually monitored by trustees, in consultation with the investment managers, and the Finance Advisory Committee (which includes all trustees and volunteer independent investment advisors) has formed the view that all the movements in investment values were within acceptable parameters.

The investments performed well over the course of the year. Following the market falls in February and March 2020, equity values rose considerably over the remaining nine months of 2020, with solid performance in January to March 2021. As a result, our investment portfolio saw large gains in this financial year, rising from £89m in April 2020 to £107m in March 2021.

The investments will continue to be carefully monitored as markets and economic conditions remain volatile and investment income levels remain below pre-pandemic levels, and may take several years to fully recover.

Each investment manager's results are reviewed formally at meetings twice a year, where up to date reports are reviewed, performance against benchmarks is considered, and any issues concerning ethical investment or corporate governance are discussed. Composite benchmarks are arranged by each manager reflecting the agreed asset class allocations and using appropriate indices for each asset class. Where action is necessary, this is agreed and the actions are monitored to ensure it was taken. The variations in performance fluctuate from manager to manager and from quarter to quarter. Actual performance against the benchmarks for the 12 months to 31 March 2021 was as follows:

(Shown on a total return basis)	2021		2020	
	Actual %	Benchmark %	Actual %	Benchmark %
BlackRock	19.75	22.35	-8.97	-10.53
Sarasin	25.10	25.50	-1.70	-6.60
Smith & Williamson	21.80	21.30	-7.80	-7.80

The trustees continue to be satisfied with their investment managers' actions and performance over the past 12 months. All three recorded gains for the year, this was expected given market conditions, and the above table shows all three delivered gains broadly in line with their respective benchmarks.

12 Investments (continued)

Investment management, review and performance (continued)

With this background to investments and investment markets, it is important that the trustees continue to take a long-term view and that they seek a reasonable level of diversification. They achieve this by using three investment managers (each having different approaches and strategies), by investing across different asset types, by investing in the UK and overseas, and by holding specialist pooled funds in addition to direct holdings in stocks and shares.

13 Fundraising

The charity is registered with the Fundraising Regulator and is committed to adhering to the Fundraising Code of Practice. There have been no adjudications and no significant failures to comply with those standards. The charity has detailed policies and procedures in place to ensure high standards are complied with and those procedures ensure that all fundraisers and those who work on the charity's behalf are aware of them.

During the year, there were no reported failures in compliance with the Fundraising Regulator or other regulatory bodies, including the Gambling Commission (2020: none) and no fundraising complaints received (2020: none).

St Raphael's Hospice was the principal fundraising area of the charity. Holy Cross Hospital does not undertake fundraising activity itself, but it does benefit from the fundraising efforts of another charity, the League of Friends of Holy Cross Hospital. In the seven months to October 2020, the Hospice raised £1.5m (2019/20: £4.4m in a full year) to set against its operating costs. The Hospice has an in-house fundraising team which maintains high standards of ethical fundraising and whose procedures and activities are kept under regular review. For example, the Hospice supports its staff in attending dementia awareness training and is signed up to the fundraising preference service.

St Raphael's Hospice has two commercial contracts with third party fundraisers. Salvia Fundraising acts on its behalf to fundraise from trusts, foundations and The Big Lottery Fund. Sterling Lotteries runs its weekly draw and two raffle draws each year. The Hospice also benefits from the support of individual volunteer fundraisers, although much of this activity is paused during the pandemic. They receive a fundraising pack and are supported by regular communication and by the provision of relevant information e.g. legal advice, contact details and how to bank funds. Each group member receives a photo ID badge to allow them to fundraise and collect legally, on behalf of the Hospice.

The Hospice has procedures in place to ensure that undue pressure is not put on anyone, particularly vulnerable people, to donate or support its charitable work. For example; by never phoning people unless they have expressed an interest in the work and respecting people's wishes if they wish to hear from the Hospice less often or not at all. The Hospice always checks first that people it phones are happy to speak to it. This has been implemented as a 'fundraising promise' across all teams.

The Hospice does not sell or exchange information in its databases with any other charities or companies, nor does it make them available to third-party organisations.

14 Risk management

The charity works with people who have complex needs and caring for them involves carrying out activities which entail inherent risk. Whilst actions can be taken to monitor, manage and mitigate risks, only a certain level of assurance can ever be obtained, and the trustees accept that there are some risks which are outside of the charity's direct control, and which cannot be mitigated. Trustees are nevertheless committed to maintaining highly-developed risk management processes across the charity.

The process entails management teams identifying the major risk events and assessing them for potential impact and the likelihood of occurrence. They review what steps are being taken to mitigate them and take additional actions as necessary to reduce the exposure to them. This applies not only at the overall level but also to particular events and activities, and to specific beneficiaries. As far as possible each risk or area of risk is the responsibility of an individual or individuals and the mitigating actions are embedded into staff routines and responsibilities, so that they become an integral part of their daily work.

There are risk registers at each of the Works and for the Provincialate office, which take different forms depending on their beneficiaries, the services being provided, and their management structure. For each Work, the register is kept under constant review by senior management and is discussed at the regular meetings of its advisory committee. Through their regular involvement with the Works, trustees are aware of and review the risk management processes to satisfy themselves that they are robust and appropriate.

The charity is exposed to regulatory and compliance risks (particularly safeguarding), physical and cyber risks, prices for goods and services, credit and liquidity risk, as well as the external risks of funding bodies and the wider domestic economy. There are also the risks associated with the volatility of investments, including the effects of investing overseas and in foreign currencies.

The level of the charity's reserves deals with the implications of some of the risks. The most significant risks which the charity faces and how it mitigates them are set out below.

Safeguarding beneficiaries – where an incident could result in harm coming to the person in our care.

Rigorous staffing structures, recruitment practices and training and development programmes are embedded across the Works, with regular monitoring visits and inspections to ensure compliance and best practice

14 Risk management (continued)

Clinical quality and management – Holy Cross Hospital patients are often extremely vulnerable; care and treatment require careful management. At St Raphael's Hospice, specialist palliative and end-of-life care may operate at the boundaries of medical knowledge and can involve innovative use of drugs or treatments, which could result in patient harm if managed poorly.

Attention is given to clinical education and training of all clinical staff members on the front line of service delivery. At the Hospice, staff work within the guidelines of NICE and the British National Formulary, and incident reporting software enable good management of incident data, in order to drive improvement. The Quality Improvement Committee and Drugs and Therapeutics Committee provide a good governance structure for the Hospice. Holy Cross Hospital maintain high standards within the clinical properties and facilities that patients rely on. This includes rigorous virus prevention processes and sufficient PPE for all front-line staff.

Income generation – not generating enough income to cover the cost of providing for the charity's beneficiaries may mean cuts to vital services.

Within the Province, Sisters rely on generating sufficient income from investment assets to provide for all their day-to-day living costs and maintaining the Convents they live and work in. The investment returns also cover the costs of running the Provincialate office. When this income source falls away, reserves may need to be used to pay for ongoing operational costs. At the Works, Holy Cross Hospital relies on negotiating a sufficient level of fee income with CCGs so that the full cost of care can be covered by those authorities with the statutory responsibility for providing care to the patients. Where fee levels fall below the cost of care, the charity is forced to use its own resources to make up the shortfall, to maintain the high level of care. At the Hospice, approximately 75% of the income required each year must be raised by the Hospice, either through fundraising, legacies, operating charity shops or via other income sources.

Workforce – not able to recruit and retain staff in sufficient numbers to be able to deliver quality services to beneficiaries.

The Executive teams at the Works monitor staff morale, engagement, and remuneration and benefits, as well as the external market conditions in order to remain a good employer and retain high performing employees. Challenges in this area are Brexit, an aging workforce, NHS pay and National Living Wage increases, and small teams' reliance on key staff members, where unexpected departures are difficult to recruit to quickly enough.

Data governance and cyber risks – sensitive patient and medical records and data are kept at the Works. Any loss of data would cause significant reputational damage to the charity.

The different parts of the charity operate on separate IT systems, so are unlikely to all be affected by one cyber attack. However, the charity is reliant on its IT infrastructure, web connectivity, back-ups and cyber security software and policies to continue to operate effectively. Staff are educated to avoid user error (eg phishing attacks), to be aware of increased cyber risks when working from home, and to look for potential fraud or virus attack. Data protection policies and procedures are in place and regularly reviewed to ensure security of patient data.

15 Events since the year-end and future plans

During the period from 31 March 2021 to the date that the financial statements were approved, the coronavirus (Covid-19) pandemic has continued to cause disruption to the operations of the charity. We have considered the effects of Covid-19 on the charity's operations and have concluded that the financial impact on it is likely to be limited, even though in the short-term, many areas of operation across the charity have been heavily disrupted over the past 20 months.

Trustees, along with the staff and volunteers, have worked tirelessly over the past year to ensure the charity has continued to work and provide for its beneficiaries in the best way it can. The lasting effects on the future of the charity cannot yet be fully known, but the strong financial resilience of the Province means that many of the longer term aims will still be pursued. Work continues at Holy Cross Hospital to design and build an expanded service for its patients and to develop the estate's buildings and facilities to ensure long term viability. Building projects to ensure the medium and long-term support and community-living arrangements for the Sisters of the Province, as well as work at other sites belonging to the Province continue, or are still at planning stages. This work will ensure the Province has suitable properties for its members, while protecting the value of the assets it owns and runs. A part of this work will involve resolving the future of the 29 Tite Street property, which currently houses the Provincialate Office and the Chelsea Community of Sisters.

Other matters

16 Public benefit

In many different locations both in the UK and overseas, Sisters have lived and worked to help the public - not only to advance Religion but to bring relief and improvement through education, healthcare, and social work and in whatever other ways were open to them. The charity continues in this spirit.

Holy Cross Hospital provides services which are not widely available within the NHS or elsewhere. In an age of increased longevity, St Raphael's Hospice provides palliative care, increasingly in the Community rather than at the Hospice. Through the Worldwide Grants, the Sisters help to fund projects such as new schools and educational resources in developing nations including Nepal, India and Cameroon.

As required by the Charities Act 2011, the Charity Commission has issued guidance on the "public benefit requirement". The trustees have considered the guidance and have had regard to it when exercising any powers or duties to which the guidance is relevant. The trustees consider that many aspects of this report demonstrate the public benefit which the charity provides.

17 The environment

The trustees are aware of the charity's social responsibility to protect the environment. The Works have conservation and waste programmes in place to reduce the consumption of energy and water, to reduce waste so that as little as possible goes to landfill and to recycle metals, chemicals, etc. wherever possible. Our St Mary's Convent uses solar panels to generate a lot of its electricity, as does the Hydrotherapy Centre in Holy Cross Hospital. Whenever significant work is carried out on any of the charity's properties, opportunities are taken to reduce energy consumption. The Congregation has for many years held investments in solar and wind power and other 'green' energy funds and regularly engages with our investment managers on climate change matters.

18 Streamlined Energy and Carbon Reporting

Under the new Streamlined Energy and Carbon Reporting (SECR), as implemented by the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 the charity is mandated to include energy consumption, related emissions, intensity metrics and energy efficiency improvements implemented during the financial year. The charity is required to comply with these regulations as it meets two of the three criteria of a large company, as defined by the Companies Act 2006; the charity employs more than 250 employees and has a balance sheet total of greater than £18million. This information is summarised below.

This is the second year of reporting these metrics so we are now able to include the prior year comparative figures. The total consumption (kWh) figures for energy supplies reportable are as follows:

Utility and Scope	2020/21 UK consumption (kWh)	2019/20 UK consumption (kWh)
Natural gas (Scope 1)	3,280,748	3,059,706
Transportation (Scope 1)	67,136	81,266
Grid-supplied electricity (Scope 2)	6,436,659	5,686,668
Transportation (Scope 3)	30,832	100,108
Total	9,815,375	8,927,748

18 Streamlined Energy and Carbon Reporting (continued)

The total emissions (tCO₂e) figures for energy supplies reportable are as follows:

Utility and Scope	2020/21 UK emission (tCO ₂ e)	2019/20 UK emission (tCO ₂ e)
Natural gas (Scope 1)	603	563
Transportation (Scope 1)	20	20
Grid-supplied electricity (Scope 2)	1,501	1,454
Transportation (Scope 3)	23	23
Total	2,147	2,060

An intensity metric of tCO₂e per headcount number of employees for the annual UK consumption has been calculated as follows:

	2020/21	2019/20
Total tCO ₂ e emissions	2,147	2,060
Average headcount employees for the year (Note 5)	278	310
Intensity metric	7.7	6.6

The reporting methodology is as follows: Scope 1 and Scope 2 consumption and Co₂e emissions data has been calculated in line with the UK Government environmental reporting guidance. The GHG Conversion Factors for Company Reporting (standard set 2020), published by the Department for Business, Energy & Industrial Strategy has been used. Estimations to cover missing billing periods were calculated on a kWh/month pro-rata basis at a metered site level. Where data was not available for the entirety of the reporting period, a kWh value was based on similar properties with similar operations. Scope 3 reporting includes energy used and emissions relating to employee-owned vehicles only. Other, voluntary, Scope 3 emissions have not been reported as it is not practical to be able to measure these.

The intensity metric has been calculated utilising the annualised average employee numbers for the whole charity, totalling 278 employees (2020: 310), and has been applied to all the carbon emissions reported.

There have been several energy efficiency improvements made during the year. The plan that arose from the 2019 Energy Saving Opportunity Scheme (ESOS) Phase II report continues to inform our decisions. The report listed various opportunities to reduce our energy usage. Some of these recommendations have been implemented already, others are still goals that are being worked towards.

18 Streamlined Energy and Carbon Reporting (continued)

St Mary's Convent continues to use solar panels. The Provincialate transferred all gas and electricity contracts that were renewed in September 2020 to 'green energy' tariffs. Energy efficiency measures prioritised for 2021 are energy efficient lighting and equipment installed during any refurbishments of properties and the move to green energy tariffs when existing contracts come to an end. Trustees also examine the investment policy and the portfolio's carbon intensity metrics to ensure climate change issues are raised with the investment managers.

19 Structure and governance

19.1 Legal structure

The charity is a charitable company limited by guarantee and its governing documents are its Memorandum and Articles of Association which set out the objects of the charity, the powers of its trustees and details of its general administration and governance.

In terms of Canon Law (which is the law of the worldwide Roman Catholic Church) the Congregation of the Daughters of the Cross of Liege is governed at an international level by the Superior General and her General Council (the Generalate). They are elected every six years at a meeting of elected representatives from around the world called a General Chapter. At the 2018 General Chapter a Superior General and four General Councillors were appointed for a six-year term. Two of the Councillors are Sister Mary MacLaughlin and Sister Maureen O'Brien, both of whom are Sisters of the English Province.

The English Province, which covers Communities in England and Ireland, is governed by the Provincial Superior (Sister Veronica Hagen) and her Provincial Council (Sister Annette Clemence, Sister Kathleen O'Reilly, Sister Anne Kelly, and Sister Maureen O'Brien (resigned 11 September 2021)). The Provincial Bursar, Sister Mary Geraldine, is appointed by the Provincial Superior and this appointment continues until such time as a change is made. By reason of holding these offices, these six Sisters are the trustees.

The Worldwide Congregation has Constitutions, approved in Rome, which governs how the Sisters should organise their affairs and live their lives. As well as the English Province, the Congregation has a presence in Belgium, Brazil, Cameroon, Germany, India, Italy, Nepal, and Pakistan.

The Superior General of the Worldwide Congregation and the Provincial Superior of the English Province of the Congregation are the only two members of the company.

19.2 Governance and trustees

The Articles of Association provide that there shall be between three and ten trustees. The number will always include Sisters who are trustees by reason of their respective offices within the English Province of the Congregation. The trustees at 31 March 2021 are shown on page 2. They have all lived and worked for many years within one or other of the charity's Works and all have personal experience of the services which the charity offers or has offered to the public.

19 Structure and governance (continued)

19.2 Governance and trustees (continued)

The charity is unlike most charities in that the trustees devote, along with all the Sisters, their whole lives to the service of the charity and the people it serves. In normal circumstances, in living on the same sites as the Works, by meeting regularly and by visiting the Works and the Communities, the trustees oversee the smooth running of the charity. During the pandemic and subsequent constraints such as reduced access to buildings and beneficiaries, Sisters have had to adapt their oversight activities and stay connected in different ways. New ways of communicating with the lay associates, the employees, the beneficiaries, the volunteers, and all those connected in any way with the charity have also been crucial since March 2020.

The trustees meet six times during the year on pre-arranged dates. Additional meetings are held as circumstances dictate to deal with time-sensitive issues such as changes to bank mandates, leases, etc. as well as projects relating to the future of any of the Works.

During this year, trustee meetings were held in a hybrid fashion – with some trustees attending in person (where they live at the same site as the charity's main office) and some attending online.

Opportunities are taken to develop and enhance trustees' knowledge and expertise, and during the year they have attended various online conferences, seminars and training sessions on safeguarding, investments, risk, and criminal action in the workplace. Trustees reviewed the investment policy, governance arrangements, and refreshed their Essential Trustee knowledge. In particular, several of the trustees have started an in-depth seminar series held by the Catholic Safeguarding Standards Agency (CSSA) looking at safeguarding issues in the Catholic Church.

The Provincial Superior is the voting member of the Conference of Religious in England and Wales to which all Sisters belong, and the Provincial Bursar is a member of the Association of Provincial Bursars. Through these and other such memberships, through attending seminars and conferences, and through newsletters from their advisers and others, trustees keep themselves up to date with changes within Religious Communities and with relevant changing legislation and regulation.

The trustees are aware that regardless of their experience in running the Works of the charity, the environment in which the charity operates continues to evolve and develop, and they do not necessarily possess the full range of business skills required to govern effectively a substantial modern and up to date charity. For this reason, professional advice is extensively sought and relied upon, particularly in the areas of law, finance, accounting, property and investment. The trustees also benefit from the advice of the English Province Finance Advisory Committee, particularly on investments.

The trustees have adopted the Charity Governance Code and they are considering each recommendation as they work their way through the Code. The charity is also registered as a charity in Ireland and is now reporting against the Charities Regulator's governance code, with progress reported at least annually at trustees meetings.

19 Structure and governance (continued)

19.2 Governance and trustees (continued)

The charity has purchased insurance to protect it from any loss arising from the neglect or defaults of its trustees and officers and to indemnify them against the consequences of any neglect or default on their part. The policy provides cover for up to a maximum of £5,000,000. The charity has also purchased a terrorism and sabotage insurance policy to cover property damage and business interruption at its Central London site.

20 Management

20.1 The Provincial Superior

The day-to-day activities of the charitable company are the responsibility of the Provincial Superior, who delegates the management to the local teams. She speaks to and visits Sisters in their Communities regularly to assist with the many issues arising, e.g. the apostolic work, the Sisters' welfare, property issues and relations/negotiations with others in the local community. She is in contact with members of the management teams and attends meetings regularly, discussing current issues of the day and identifying those decisions which need trustee approval.

20.2 The Communities

There were six Communities, five in the UK and one in Ireland.

Each Community has a Sister Superior who is appointed by the Provincial Superior and to whom is delegated authority and responsibility for it.

20.3 The Works

At both of the Works reported on in this set of accounts, the Provincial Superior appoints a management team and, where appropriate, the Sister Superior or other nominated Sister is a member. The Sister Superior or nominated Sister has a frequent dialogue with trustees and acts as a conduit for trustees' decisions and management's feedback. This only applied at St Raphael's Hospice up until the date of separation in October 2020.

Each of the Works is supported by an Advisory Committee. The members of the Advisory Committees are appointed by the Provincial Superior in consultation with the relevant Sister Superior and the trustees. The Provincial Superior and the Sister Superior are ex-officio members of these Committees/Boards. The membership therefore comprises trustees, Sisters, and lay people with an expertise in the work or with a relevant specialism. The Advisory Committees' purpose is to advise the Provincial Superior, the Sister Superior and the management teams.

The management structure described above allows the management teams to run each of the Works on a daily basis within the ethos, framework and strategy set by the trustees. It also allows important issues to be brought to the attention of trustees, enabling them to make the key decisions affecting strategy, policies, the facilities and services provided, and the service quality and delivery. This structure also enables the trustees to inform management of their current thinking and the reasoning for decisions.

20 Management (continued)

20.4 Employees

The charity has always been and remains committed to opposing discrimination in its many forms. To further this commitment, the management teams throughout the charity ensure that recruitment and selection policies avoid direct or indirect discrimination and comply with all relevant legislation. The aim is to ensure that all employees are aware of and understand the charity's equal opportunities policies and are familiar with the legal framework. The only exception to this policy is that for certain designated posts within the organisation, the post-holder has to be a Catholic.

Whenever an employee becomes disabled, wherever possible arrangements are made to accommodate them by re-organising tasks, sharing roles and duties, and changing amenities. Their training, career development and potential promotion would be considered in the normal way within the non-discrimination policy.

The trustees, through the management teams, aim to keep employees informed and involved through staff briefing and training, staff groups, regular meetings, newsletters, notice boards and websites.

20.5 Key management personnel

The trustees are key management personnel although they are not remunerated. Other key management personnel are the senior officer at each of the Works (who has delegated authority to run that Work in line with the agreed strategy and within the ethos of The Daughters of the Cross) and the finance manager in the Provincialate Office.

Their pay and remuneration are set by the Provincial Superior with regard to the pay structure in the relevant part of the organisation, in consultation with trustees and appropriate members of the Works' Advisory Committees and with regard to the external market.

21 Related parties

21.1 The Sisters

The Sisters of the Congregation covenant their salary and pension income to the charity. They are also beneficiaries of the charity in that the costs of their welfare and activities are met by it. The trustees, including the Provincial Superior and the Provincial Bursar, are all Sisters and no trustee is remunerated for their services. No trustee had any beneficial interest in any contract with the charity.

21.2 Generalate of the Congregation

By means of a lease, the charity provided accommodation for the central government of the Congregation. The International Generalate is the base for the Superior General and her Council who, under the structure of a separate registered English charity (Charity no. 1142490), guide, support and monitor the worldwide services of the Congregation. This lease ended in September 2021, when the Generalate relocated to its new base in Rome, Italy.

21 Related parties (continued)

21.3 Worldwide Congregation

The charity and the Sisters are part of the worldwide Congregation of the Daughters of the Cross of Liege. Grants, mainly from income from the designated Worldwide Fund, are made to other parts of the Congregation around the world so that the charitable objects can be fulfilled outside the UK.

21.4 St Elizabeth's Centre

Two trustees of this charity are also trustees of St Elizabeth's Centre; Sister Veronica Hagen and Sister Josephine Clemence. Another of our Sisters, Sr Patricia Ainsworth, is also a trustee at St Elizabeth's. Currently three Sisters reside in the Much Hadham Convent, which is situated on the site owned by St Elizabeth's Centre.

21.5 St Raphael's Hospice

St Raphael's Hospice (registered company number 11732567 and registered charity number 1182636) was registered at Companies House on 18 December 2018 and with the Charity Commission on 26 March 2019. On 31 October 2020 certain assets and liabilities were transferred from the Daughters of the Cross of Liege to the independent St Raphael's Hospice charitable company. During 2020/21 a grant of £3.6m (2019/20 - £200,000) was given by the Daughters of the Cross of Liege, to the new St Raphael's charity. Two trustees of this charity; Sister Veronica Hagen and Sister Kathleen O'Reilly are trustees of the new Hospice charity in order to aid the transition to operating independently of the Daughters of the Cross.

22 Stakeholder engagement

The trustees are very aware of the enormous contribution the staff and volunteers of the charity make. When finding futures for the charity's Works, trustees have ensured that staff have been treated very well during uncertain times, have enabled regular two-way dialogue between trustees and staff and have supported employees both spiritually and financially. Trustees ensure staff teams are aware of changes well ahead of time e.g., when staff will be required to work from a different location in the future.

Trustees ensure there is a culture of being a good customer to the charity's suppliers. This includes prompt payment for supplies of goods and services. The charity publishes six-monthly figures on the gov.uk website as part of the Payment Practices Reporting requirements. These results show the charity consistently pays its suppliers in a timely manner.

At the charity's Holy Cross Hospital site, the normal annual Patients Survey was not able to be carried out this year due to Covid-19 restrictions, but instead the Hospital communicated regularly with relatives of patients via email so that the feedback mechanism wasn't lost, despite the pandemic. The clinical team at the Hospital also receives feedback from NHS Commissioners to ensure expectations are being met.

The Sisters, who are beneficiaries of the charity, hold several Province Days each year, where as many Sisters from across the Congregation as possible can come together and discuss issues and share thoughts as a whole group.

22 Stakeholder engagement (continued)

The trustees discuss both the UK and Irish Charity Governance Codes at trustee meetings and are aware of the importance of having high standards of governance and the right culture and ethos with the charity.

The two Works of the charity, Holy Cross Hospital and St Raphael's Hospice, both have their own dedicated websites, which are kept updated with the latest news and events that are taking place at those sites. Social media sites are also used to promote charitable events and activities. St Raphael's has its own Twitter, Instagram and Facebook accounts, which all share the successes, upcoming events, and news from the Hospice. Holy Cross Hospital also has its own Facebook page and Twitter account.

23 Statement of trustees' responsibilities

The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law 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 charitable company and of the income and expenditure of the charitable company 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 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 United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees confirms that:

- ◆ so far as she is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and

23 Statement of trustees' responsibilities (continued)

- ◆ she has taken all the steps that she ought to have taken as a trustee in order to make herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

This Trustees' Report, including the Strategic Report contained therein, has been approved by the trustees at a meeting on 23 December 2021 and it is signed on their behalf by:

Sister Veronica Hagen
Trustee and Provincial Superior

Registration details and principal advisers

Registration details

The Congregation of the Daughters of the Cross of Liege is a charitable company limited by guarantee and that is its registered name. Registration details are:

- ◆ Charity Registration Number: 1068661
- ◆ Company Registration Number: 3492921
- ◆ Registered Office and Principal Office address: 29 Tite St, London, SW3 4JX.

Principal advisers

Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Investment managers	BlackRock Investment Management (UK) Limited 12 Throgmorton Avenue London EC2N 2DL Sarasin & Partners LLP Juxon House, 100 St Paul's Churchyard London EC4M 8BU Smith & Williamson Holdings Limited 25 Moorgate London EC2R 6AY
Bankers	The Royal Bank of Scotland plc 127-128 High Holborn London WC1V 6PQ
Solicitors	Farrer & Co LLP 66 Lincoln's Inn Fields London WC2A 3LH

Independent auditor's report to the members of The Congregation of the Daughters of the Cross of Liege

Opinion

We have audited the financial statements of Congregation of the Daughters of the Cross of Liege (the 'charitable company') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 charitable company's affairs as at 31 March 2021 and of 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 Companies Act 2006.

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 charitable company 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 charitable company'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 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.

Other information (continued)

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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- ◆ the information given in the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report including the strategic report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- ◆ adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of trustees' remuneration specified by law are not made; 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, the trustees (who are also the directors of the charitable company for the purposes of company law) 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.

Responsibilities of trustees (continued)

In preparing the financial statements, the trustees are responsible for assessing the charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

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 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:

- ◆ making enquiries of management and representatives of those charged with governance as to their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any or unusual or unexpected relationships:
- ◆ performed substantive testing of expenditure including authorization thereof; and
- ◆ tested journal entries to identify unusual transactions.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

29 December 2021

Edward Finch (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Statement of financial activities Year to 31 March 2021

	Notes	Unrestricted funds			Total funds 2021 £'000	Total funds 2020 £'000
		General fund £'000	Designated funds £'000	Restricted funds £'000		
Income and expenditure account						
Income from:						
Charitable activities		6,571	—	1,859	8,430	8,387
Donations and legacies		937	—	1,197	2,134	3,772
Other trading activities		—	—	369	369	1,404
Investments		2,613	—	3	2,616	2,949
Other income		209	—	5	214	149
Total income	1	10,330	—	3,433	13,763	16,661
Expenditure on:						
Raising funds	2	800	—	1,212	2,012	2,976
Charitable activities	3					
Support of members of the Congregation and their ministry		2,254	—	—	2,254	2,607
Running:						
A Hospital - Holy Cross		7,216	—	23	7,239	6,895
A Hospice - St Raphael's		—	—	2,663	2,663	4,481
Grants and donations		3,807	—	—	3,807	182
Provision reversal	11	(936)	—	—	(936)	—
		12,341	—	2,686	15,027	14,165
Total expenditure		13,141	—	3,898	17,039	17,141
Net expenditure before investment gains and losses, and transfers		(2,811)	—	(465)	(3,276)	(480)
Transfer to St Raphael's Hospice						
Charitable company	19	(2,741)	(634)	(324)	(3,699)	—
Gains (losses) on investments	8	17,205	—	316	17,521	(8,415)
Net income (expenditure)		11,653	(634)	(473)	10,546	(8,895)
Transfers between funds	12, 13	(10,181)	12,787	(2,606)	—	—
Net movement in funds		1,472	12,153	(3,079)	10,546	(8,895)
Reconciliation of funds:						
Total funds brought forward at 1 April 2020		4,972	130,562	4,612	140,146	149,041
Total funds carried forward at 31 March 2021		6,444	142,715	1,533	150,692	140,146

Statement of financial activities Year to 31 March 2021

With effect from 31 October 2020, the net assets and the operations at St Raphael's Hospice were transferred to the new St Raphael's Hospice charitable company. The income and expenditure relating to St Raphael's Hospice are defined as discontinued activities within the Congregation of the Daughters of the Cross of Liege.

The impact on prior year income and expenditure of the discontinued operations described above is summarised in the table below:

SOFA	Continuing £'000	Dis- continued £'000	2021 Total £'000	Continuing £'000	Dis- continued £'000	2020 Total £'000
Income	10,407	3,356	13,763	10,390	6,271	16,661
Expenditure	<u>(13,336)</u>	<u>(3,703)</u>	<u>(17,039)</u>	<u>(10,793)</u>	<u>(6,348)</u>	<u>(17,141)</u>
Net expenditure before investment gains, other gains and losses and transfers	(2,929)	(347)	(3,276)	(403)	(77)	(480)
Transfer to new St Raphael's Hospice charity	(3,699)	—	(3,699)	—	—	—
Gains (losses) on investments	17,521	—	17,521	(8,415)	—	(8,415)
Net movement in funds	10,893	(347)	10,546	(8,818)	(77)	(8,895)

All other activities of the charity comprised continuing operations during the above two financial years.

Comparative statement of financial activities Year to 31 March 2020

	Notes	Unrestricted funds		Restricted funds £'000	Total funds 2020 £'000
		General fund £'000	Designated funds £'000		
Income and expenditure account					
Income from:					
Charitable activities		6,575	—	1,812	8,387
Donations and legacies		680	—	3,092	3,772
Other trading activities		—	—	1,404	1,404
Investments		2,930	—	19	2,949
Other income		149	—	—	149
Total income	1	10,334	—	6,327	16,661
Expenditure on:					
Raising funds	2	835	—	2,141	2,976
Charitable activities 3					
Support of members of the Congregation and their ministry		2,607	—	—	2,607
Running:					
A Hospital - Holy Cross		6,828	—	67	6,895
A Hospice - St Raphael's		—	—	4,481	4,481
Grants and donations		182	—	—	182
		9,617	—	4,548	14,165
Total expenditure		10,452	—	6,689	17,141
Net expenditure before investment losses and transfers		(118)	—	(362)	(480)
(Losses) on investments	8	(8,291)	—	(124)	(8,415)
Net expenditure		(8,409)	—	(486)	(8,895)
Transfers between funds	12, 13	8,685	(8,747)	62	—
Net movement in funds		276	(8,747)	(424)	(8,895)
Reconciliation of funds:					
Total funds brought forward at 1 April 2019		4,696	139,309	5,036	149,041
Total funds carried forward at 31 March 2020		4,972	130,562	4,612	140,146

Balance sheet 31 March 2021

	Notes	2021 £'000	2021 £'000	2020 £'000	2020 £'000
Fixed assets					
Tangible assets	7		32,995		34,164
Investments	8		107,316		89,481
			140,311		123,645
Current assets					
Debtors	9	637		2,183	
Cash		10,955		16,832	
		11,592		19,015	
Creditors: amounts falling due within one year	10	(1,041)		(1,356)	
Net current assets			10,551		17,659
Total assets less current liabilities			150,862		141,304
Provisions for liabilities	11		(170)		(1,158)
Total net assets			150,692		140,146
The funds of the charity:					
Restricted funds	12		1,533		4,612
Unrestricted funds					
Designated funds					
. Fixed assets fund		32,980		34,164	
. Other		109,735		96,398	
	13	142,715		130,562	
. General fund		6,444		4,972	
Total unrestricted funds			149,159		135,534
Total charity funds			150,692		140,146

Approved by the trustees of The Congregation of the Daughters of the Cross of Liege, Company Registration Number 03492921 (England and Wales), and signed on their behalf by:

Sister Veronica Hagen

Sister Mary McGinn

Trustee and Provincial Superior

Trustee and Provincial Bursar

Date of approval: 23 December 2021

Statement of cash flows 31 March 2021

	Notes	2021 £'000	2020 £'000
Cash flows from operating activities	A	(3,971)	(3,767)
Cash flows from investing activities	B	1,860	539
Cash flows from financing activities	C	(988)	1,288
Change in cash and cash equivalents		(3,099)	(1,940)
Cash transferred to St Raphael's Hospice (Company Number 11732567; Charity Registration Number 1182636)		(2,778)	—
Cash and cash equivalents at 1 April 2020		16,832	18,772
Cash and cash equivalents at 31 March 2021	D	10,955	16,832

Notes to the statement of cash flows for the year to 31 March 2021.

A Reconciliation of net expenditure to net cash flow used in operating activities

	2021 £'000	2020 £'000
Net income (expenditure) (as per statement of financial activities)	10,546	(8,895)
Depreciation charge	1,032	1,061
(Profit) on disposal of tangible fixed assets	(3)	(39)
Gains on investment property	(30)	(5)
(Gains) losses on investments	(17,491)	8,420
Transfer to St Raphael's Hospice (Company Number 11732567; Charity Registration Number 1182636)	3,699	—
Investment income	(2,668)	(2,949)
Decrease (increase) in debtors	519	(1,128)
Increase (decrease) in creditors	425	(232)
Net cash used in operating activities	(3,971)	(3,767)

B Investing activities

	2021 £'000	2020 £'000
Payments to acquire tangible fixed assets	(500)	(635)
Net proceeds from sale of tangible fixed assets	6	40
Net proceeds from sale of investment property	—	16
Payments to acquire investments	(40,625)	(24,101)
Proceeds from sales of investments	34,845	26,717
Increase (decrease) in cash held by investment managers	4,686	(4,088)
Investment income	2,668	2,949
Other movements	780	(359)
Net cash provided by investing activities	1,860	539

C Financing activities

	2021 £'000	2020 £'000
(Decrease) increase in other long-term liabilities	(988)	38
Decrease in term deposits	—	1,250
Net cash (used in) provided by financing activities	(988)	1,288

Statement of cash flows 31 March 2021

D Analysis of cash and cash equivalents

	2021	2020
	£'000	£'000
Total cash and cash equivalents – cash	10,955	16,832

1 Income

Income from	Unrestricted funds £'000	Restricted funds £'000	Total funds 2021 £'000
Charitable activities			
. Fees and charges – Privately-funded	226	—	226
. Fees and charges – Publicly-funded	6,345	—	6,345
. Grants – Public*	—	1,856	1,856
. Other	—	3	3
	6,571	1,859	8,430
Donations and legacies			
. Donations	2	759	761
. Legacies	310	438	748
. Covenanted income from Sisters of the Congregation – salaries and pensions	625	—	625
	937	1,197	2,134
Other trading activities			
. Charity shops	—	120	120
. Lottery and events	—	249	249
	—	369	369
Investments			
. UK investments	2,183	—	2,183
. Overseas investments	408	—	408
. Interest receivable	22	3	25
	2,613	3	2,616
Other income			
. Property	52	—	52
. Other income	157	5	162
	209	5	214
Total income	10,330	3,433	13,763

1 Income (continued)

<i>Income from</i>	<i>Unrestricted funds £'000</i>	<i>Restricted funds £'000</i>	<i>Total funds 2020 £'000</i>
<i>Charitable activities</i>			
. Fees and charges – Privately-funded	389	—	389
. Fees and charges – Publicly-funded	6,186	—	6,186
. Grants – Public*	—	1,701	1,701
. Other	—	111	111
	6,575	1,812	8,387
<i>Donations and legacies</i>			
. Donations	12	1,286	1,298
. Legacies	37	1,806	1,843
. Covenanted income from Sisters of the Congregation – salaries and pensions	631	—	631
	680	3,092	3,772
<i>Other trading activities</i>			
. Charity shops	—	948	948
. Lottery and events	—	456	456
	—	1,404	1,404
<i>Investments</i>			
. UK investments	2,307	—	2,307
. Overseas investments	520	—	520
. Interest receivable	103	19	122
	2,930	19	2,949
<i>Other income</i>			
. Property	64	—	64
. Other income	85	—	85
	149	—	149
<i>Total income</i>	10,334	6,327	16,661

*Grants amounting to £1,138,000 (2020 – £1,546,000) were received from Clinical Commissioning Groups and were a contribution to the cost of running St Raphael's Hospice. A grant of £nil (2020 – £222,000) was received by St Raphael's Hospice from the UK Government fund for Hospices to enable St Raphael's to continue to operate during the Covid-19 outbreaks of 2020. The Hospice received £718,000 of other Covid-related support (furlough and small business grants) from government in 2020/21 (2020 - £170,000).

1 Income (continued)

Income from charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total funds 2021 £'000
Holy Cross Hospital	6,571	—	6,571
St Raphael's Hospice	—	1,859	1,859
	6,571	1,859	8,430

	<i>Unrestricted funds £'000</i>	<i>Restricted funds £'000</i>	<i>Total funds 2020 £'000</i>
<i>Holy Cross Hospital</i>	<i>6,575</i>	<i>—</i>	<i>6,575</i>
<i>St Raphael's Hospice</i>	<i>—</i>	<i>1,812</i>	<i>1,812</i>
	<i>6,575</i>	<i>1,812</i>	<i>8,387</i>

2 Expenditure on raising funds

	Staff costs £'000	Depreciation £'000	Other costs £'000	Total funds 2021 £'000
Cost of generating voluntary income	302	—	263	565
Fundraising trading: cost of running charity shops	296	—	351	647
Investment management costs	—	—	471	471
Support costs (note 4)	—	—	329	329
	598	—	1,414	2,012

	<i>Staff costs £'000</i>	<i>Depreciation £'000</i>	<i>Other costs £'000</i>	<i>Total funds 2020 £'000</i>
<i>Cost of generating voluntary income</i>	<i>505</i>	<i>—</i>	<i>482</i>	<i>987</i>
<i>Fundraising trading: cost of running charity shops</i>	<i>603</i>	<i>37</i>	<i>514</i>	<i>1,154</i>
<i>Investment management costs</i>	<i>—</i>	<i>—</i>	<i>468</i>	<i>468</i>
<i>Support costs (note 4)</i>	<i>—</i>	<i>—</i>	<i>367</i>	<i>367</i>
	<i>1,108</i>	<i>37</i>	<i>1,831</i>	<i>2,976</i>

	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000
Split between funds			
2021	800	1,212	2,012
2020	835	2,141	2,976

3 Charitable activities

An analysis of the charitable activity expenditure is as follows:

	Staff costs £'000	Depreciation £'000	Other costs £'000	Support costs (note 4) £'000	Total 2021 £'000
Support of Members	818	354	650	432	2,254
Holy Cross Hospital	5,109	361	1,661	108	7,239
St Raphael's Hospice	1,961	151	369	182	2,663
Grants and donations	—	—	3,807	—	3,807
Provision reversal	—	—	(936)	—	(936)
	7,888	866	5,551	722	15,027

An analysis of the charitable activity expenditure for 2020 is as follows:

	Staff costs £'000	Depreciation £'000	Other costs £'000	Support costs (note 4) £'000	Total 2020 £'000
Support of Members	789	300	1,043	475	2,607
Holy Cross Hospital	4,745	363	1,661	126	6,895
St Raphael's Hospice	3,292	196	702	291	4,481
Grants and donations	—	—	182	—	182
	8,826	859	3,588	892	14,165

An analysis of the expenditure between Restricted and Unrestricted funds is as follows:

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000
Support of Members	2,254	—	2,254	2,607	—	2,607
Holy Cross Hospital	7,216	23	7,239	6,828	67	6,895
St Raphael's Hospice	—	2,663	2,663	—	4,481	4,481
Grants and donations	3,807	—	3,807	182	—	182
Provision reversal	(936)	—	(936)	—	—	—
	12,341	2,686	15,027	9,617	4,548	14,165

Net income (expenditure) for the year is stated after charging (crediting):

	2021 £'000	2020 £'000
Depreciation	1,032	1,061
Loss (profit) on disposal of tangible fixed assets	631	(39)
Gain on investment property	(30)	(16)
Auditors' total remuneration	104	127
Operating lease rentals	173	297
Grants and donations	3,807	182

Of the grants and donations £3.6m was to St Raphael's Hospice upon separation (2020 – £nil) and £162,000 (2020 – £152,000) was to the worldwide Congregation.

4 Support costs

	Governance £'000	Other £'000	2021 £'000
Staff costs	37	124	161
Professional fees	218	228	446
Other costs	21	423	444
Total support costs	276	775	1,051

	Governance £'000	Other £'000	2020 £'000
Staff costs	38	109	147
Professional fees	519	165	684
Other costs	19	409	428
Total support costs	576	683	1,259

	2021 £'000	2020 £'000
Attributed to the following activities:		
. Raising funds (note 2)	329	367
. Charitable activities (note 3)	722	892
	1,051	1,259

All costs relating to a particular activity are treated as costs of that activity. Support costs, which include governance costs, are the central costs incurred predominantly within the Province which support the charity's activities and deal with its governance arrangements. Where costs specifically relate to an activity, they are allocated to that activity. General support costs are allocated to the activities on the basis of the cost and time spent on each of them.

The trustees are Sisters of the Congregation and they are not remunerated for their work as trustees. The governance of the charity is dealt with by the trustees acting, where appropriate, after considering the advice of their professional advisers and with the assistance of the Company Secretary and various members of the Works' Senior Management Teams.

They are, as are all Sisters, beneficiaries of and donors to, the charity and the charity meets the costs of their ministry and welfare. In the case of trustees, their costs include expenses incurred when they are fulfilling their trustee duties which, because of their nature, are impossible to identify.

Professional fees include payments to the charity's auditors for audit fees of £50,000 (2020 – £53,000), which are included in Governance. Fees paid to the charity's auditor for other services, which all relate to general financial advice and assistance and are included in support costs, amount to £54,000 (2020 – £74,000). The total amount paid to the auditors was £104,000 (2020 – £127,000).

5 Staff costs

	2021 £'000	2020 £'000
Wages and salaries	7,419	8,567
Social security costs	741	821
Other pension costs (note 16)	223	296
	8,383	9,684
Payments for agency staff	229	360
Other staff related costs	35	37
	8,647	10,081

Other staff related costs include the costs of training courses, medical insurance and recruitment costs.

	2021 £'000	2020 £'000
Staff costs have been charged as follows:		
. Raising funds (note 2)	598	1,108
. Charitable activities (note 3)	7,888	8,826
. Support costs (note 4)	161	147
	8,647	10,081

The analysis of average staff numbers between full-time and part-time staff are as follows:

Actual numbers	2021			2020		
	Full-time	Part-time	Total	Full-time	Part-time	Total
Charitable activity						
. Holy Cross Hospital	90	58	148	78	57	135
. St Raphael's Hospice	39	53	92	43	101	144
. Province	26	12	38	25	6	31
	155	123	278	146	164	310
Volunteers			272			861
			550			1,171

The full-time equivalent numbers of staff is 245 (2020 – 259).

In addition, the number of agency staff, on a full-time equivalent basis, was 20 (2020 – 28).

The number of employees who earned £60,000 per annum or more (including benefits but excluding pension contributions) during the year was as follows:

	2021	2020
£60,001 - £70,000	6	6
£70,001 - £80,000	2	4
£80,001 - £90,000	1	3
£90,001 - £100,000	—	1
	9	14

5 Staff costs (continued)

Details of the pension contributions for those earning £60,000 per annum or more are shown below:

	2021		2020	
	Number	£'000	Number	£'000
Those in defined benefit schemes	—	—	1	9
Those in defined contribution schemes	9	23	13	40
Total	9	23	14	49

The trustees are key management personnel of the charity; they are not remunerated as trustees but they are beneficiaries of the charity in that their welfare and work is funded by it. The cost of the support of all Sisters is disclosed elsewhere.

The Senior Officer at each of the Works has delegated authority to run that Work in line with the agreed strategy and within the ethos of The Daughters of the Cross. They are therefore also regarded as key management personnel, along with the Provincialate Finance Manager. The total employee benefits of this group, including pension contributions amounted to £288,858 (2020 – £283,335), which together with National Insurance Contributions of £33,555 (2020 – £32,847) brings the total cost of employment of key management personnel to £322,414 (2020 – £316,182).

6 Taxation

The charity is not liable to corporation tax on income or gains derived from its charitable activities, as they fall within the various exemptions available to charities.

It does, however, suffer VAT which is included with the expenditure to which it relates. Irrecoverable VAT suffered on expenditure, including VAT on capital projects, during the year amounted to approximately £0.4m (2020 – £0.6m).

7 Tangible fixed assets

	Freehold & leasehold land and buildings £'000	Assets in course of construction £'000	Medical, computer and office equipment £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 April 2020	36,432	160	5,712	302	42,606
Additions	96	244	117	43	500
Disposals	(234)	(201)	(1,462)	(144)	(2,041)
At 31 March 2021	<u>36,294</u>	<u>203</u>	<u>4,367</u>	<u>201</u>	41,065
At cost	8,529	203	4,367	201	13,300
At deemed cost (2014 valuation)	<u>27,765</u>	<u>—</u>	<u>—</u>	<u>—</u>	27,765
	<u>36,294</u>	<u>203</u>	<u>4,367</u>	<u>201</u>	41,065
Depreciation					
At 1 April 2020	4,286	—	3,965	191	8,442
Charge for year	761	—	247	24	1,032
Disposals	(33)	—	(1,268)	(103)	(1,404)
At 31 March 2021	<u>5,014</u>	<u>—</u>	<u>2,944</u>	<u>112</u>	8,070
Net book value					
At 31 March 2021	<u>31,280</u>	<u>203</u>	<u>1,423</u>	<u>89</u>	<u>32,995</u>
At 31 March 2020	<u>32,146</u>	<u>160</u>	<u>1,747</u>	<u>111</u>	<u>34,164</u>

Included in freehold land and buildings are amounts for land at deemed cost of £10.0m (2020 – £10.0m) which has not been depreciated.

Under the transitional arrangements set out in FRS 102, the charity elected to treat property valuations prior to 1 April 2014 as their deemed cost at that date. Subsequent additions are stated at cost.

8 Fixed asset investments

Losses and gains on investments recognised in the statement of financial activities are made up as follows:

	2021 £'000	2020 £'000
Gains (losses) on investments	16,425	(7,932)
Investment gains (losses) allocated to others	316	(124)
Other movements	780	(359)
Gains (losses) on investments per SOFA	17,521	(8,415)

The realised gain relating to disposals based upon historic cost was £3,323,000 (2020 – £293,000).

	2021 £'000	2020 £'000
Investments (note a)	104,345	81,854
Cash (note a)	2,501	7,187
Investment properties (note b)	470	440
Total fixed asset investments	107,316	89,481

(a) Investments

	2021 £'000	2020 £'000
Market value at 1 April 2020	81,854	92,532
Additions at cost	40,625	24,101
Sale proceeds	(34,845)	(26,717)
Investment gains (losses)	16,711	(8,062)
Market value at 31 March 2021	104,345	81,854
Investment cash	2,501	7,187
Total investments at 31 March 2021	106,846	89,041
Historical cost of investments at 31 March 2021	86,457	77,797

	UK £'000	Overseas £'000	Total 2021 £'000
Analysis of investments at market value at 31 March 2021:			
Listed investments			
. Pooled funds	32,506	7,613	40,119
. Other	35,378	28,322	63,700
Unlisted shares			
. Pooled funds	19	—	19
. Other	418	89	507
. Investment cash	2,501	—	2,501
	70,822	36,024	106,846

8 Fixed asset investments (continued)

(a) Investments (continued)

	UK £'000	Overseas £'000	Total 2020 £'000
<i>Analysis of investments at market value at 31 March 2020:</i>			
<i>Listed investments</i>			
. Pooled funds	25,688	4,483	30,171
. Other	30,237	21,203	51,440
<i>Unlisted shares</i>			
. Pooled funds	24	—	24
. Other	124	95	219
. Investment cash	7,187	—	7,187
	<u>63,260</u>	<u>25,781</u>	<u>89,041</u>

The historical cost of investments at 31 March 2021 was £86.4m (2020 – £77.8m). Shares or investment schemes (including unit trusts) relating to companies listed on a UK stock exchange or incorporated in the UK are treated as investments in the UK. All other investments are treated as being overseas.

Whilst there are significant investments in common investment funds and other collective investment vehicles, there are no individual investments in entities which the trustees would regard as material.

(b) Investment properties

	Freehold land and buildings 2021 £'000	Freehold land and buildings 2020 £'000
At 1 April 2020	440	450
Realised loss due to re-assessment in the year	—	(5)
Revaluation gain in the year	30	—
Loss on disposal	—	(5)
At 31 March 2021	<u>470</u>	<u>440</u>

The values of investment properties are wholly based on valuations by independent valuers. A full valuation report was carried out by chartered surveyors, Weldon Beesly LLP, to determine the market value of the freehold agricultural grazing land in Much Hadham, Hertfordshire.

9 Debtors

	2021 £'000	2020 £'000
Operational debtors	482	490
Other debtors	57	1,355
Prepayments	98	338
	<u>637</u>	<u>2,183</u>

10 Creditors: amounts falling due within one year

	2021 £'000	2020 £'000
Operational creditors	101	246
Social security and other taxes	119	196
Amounts due to Sisters of the Congregation	224	228
Income received in advance	78	91
Accruals	270	394
Grants payable	189	150
Other creditors	60	51
	1,041	1,356

11 Provisions for liabilities

	2021 £'000	2020 £'000
Obligation at 1 April	1,158	1,120
Change in the year	(936)	—
Exchange movement in the year	(52)	38
Obligation at 31 March	170	1,158

The provision for compensation is an amount set aside to meet both High Court claims and the charity's proposed contribution to a Redress Scheme Fund established in Ireland by the Irish Government to meet compensation claims. The movement in the year represents the result of a review carried out in 2021 in conjunction with our legal advisors in Ireland, on the current situation of the Scheme and outstanding claims. There are also exchange movements between sterling and the euro. The provision is now set at €200,000, reduced from €1.3m last year. In the 2020 accounts, this amount was recognised as a creditor greater than one year on the balance sheet. The reduced figure is now recognised as a provision and the prior year figure has been restated to show this change.

12 Restricted funds

The funds of the charity include restricted funds comprising the following balances held on trust to be applied for specific purposes:

	At 1 April 2020 £'000	Net expenditure £'000	Gain on investments £'000	Transfers £'000	At 31 March 2021 £'000
Hospice funds	3,432	(3,432)	—	—	—
Holy Cross Hospital	1,134	—	316	(1)	1,449
Sundry funds	46	(118)	—	156	84
	4,612	(3,550)	316	155	1,533

12 Restricted funds (continued)

	At 1 April 2019 £'000	Net expenditure £'000	Loss on investments £'000	Transfers £'000	At 31 March 2020 £'000
Hospice funds	3,721	(351)	—	62	3,432
Holy Cross Hospital	1,258	—	(124)	—	1,134
Sundry funds	57	(11)	—	—	46
	<u>5,036</u>	<u>(362)</u>	<u>(124)</u>	<u>62</u>	<u>4,612</u>

◆ **Hospice funds**

The general funds of St Raphael's Hospice can only be applied for the benefit of the Hospice and have, therefore, been treated as restricted. The net expenditure total of £3,432,000 includes the transfer of £2,761,000 of restricted Hospice funds to the separate St Raphael's Hospice charitable company on the separation date of 31 October 2020.

◆ **Holy Cross Hospital**

This represents part of a legacy which had to be used at Holy Cross Hospital and is therefore restricted. The legacy was partly used to build a hydrotherapy facility and these were released to unrestricted funds. The remainder (being the restricted fund) was invested to generate an income to help meet the running costs of the facility.

◆ **Sundry funds**

These funds relate to a number of small funds across the charity's Works.

13 Designated funds

	At 1 April 2020 £'000	Transfer (to) from general funds £'000	At 31 March 2021 £'000
Fixed asset fund	34,164	(1,184)	32,980
Other funds			
. Daughters of the Cross fund	38,000	9,000	47,000
. Charitable activities fund	21,036	(2,836)	18,200
. Provincialate fund	25,000	6,000	31,000
. St Raphael's Hospice fund	6,300	(3,600)	2,700
. Worldwide fund	6,062	1,773	7,835
. Adversity reserve fund	—	2,000	2,000
. Income risk reserve fund	—	1,000	1,000
	<u>96,398</u>	<u>13,337</u>	<u>109,735</u>
	<u>130,562</u>	<u>12,153</u>	<u>142,715</u>

13 Designated funds (continued)

	<i>At 1 April 2019 £'000</i>	<i>Transfer (to) from general funds £'000</i>	<i>At 31 March 2020 £'000</i>
<i>Fixed asset fund</i>	34,591	(427)	34,164
<i>Other funds</i>			
. <i>Daughters of the Cross fund</i>	38,000	—	38,000
. <i>Charitable activities fund</i>	28,900	(7,864)	21,036
. <i>Provincialate fund</i>	25,000	—	25,000
. <i>St Raphael's Hospice fund</i>	6,300	—	6,300
. <i>Worldwide fund</i>	6,518	(456)	6,062
	<u>104,718</u>	<u>(8,320)</u>	<u>96,398</u>
	<u>139,309</u>	<u>(8,747)</u>	<u>130,562</u>

The designated funds have been set aside for specific purposes by the trustees out of unrestricted funds, although they may ultimately use such funds for other purposes. It is a policy that income and expenditure either relates to restricted or unrestricted general funds, thus there is no income or expenditure on designated funds. Designated funds are determined by trustees at the end of the year and the increases or decreases are reflected as transfers from unrestricted general funds.

◆ **Fixed asset fund**

The tangible fixed assets, of which property forms the major part, are of fundamental importance to the charity and without them the charity would be unable to fulfil any of its charitable objectives. The value of the assets is therefore not readily realisable and, to reflect that, their net book value has been established as a designated fund.

◆ **Daughters of the Cross fund**

All Sisters are part of the worldwide Congregation of the Daughters of the Cross of Liege and this fund is established to ensure that the work of the Sisters is continued across the Province for as long as possible. The fund is invested for the long-term with the current intention that only the income is spent. This income meets the shortfall of the Sisters' covenanted income over the costs of their welfare, their apostolic activities and the costs of the care of the frail and elderly members. As the amount of covenanted income falls due to reducing number of Sisters, the level of income generated by this fund must grow, given that costs do not fall in line with income.

◆ **Charitable activities fund**

The Charitable activities fund was established to help secure the future needs of the Works and the long-term accommodation and other needs of the Sisters. It is represented by a combination of investments and cash. Those needs that are likely to arise in the short to medium term are able to be funded from cash reserves, as the capital value of these amounts are less volatile than the fixed asset investments.

13 Designated funds (continued)

◆ ***Provincialate fund***

The Provincialate office of the charity incurs the costs of the central core functions and these are met from investment income. For the foreseeable future, this office function will be required, and this fund has been established to provide the necessary income for this cost centre.

◆ ***St Raphael's Hospice fund***

The St Raphael's Hospice fund was first set up in 2019/20 with a total of £6,300,000, which included the £3,600,000 that was paid to the Hospice upon separation during this year. The remaining £2,700,000 balance at 31 March 2021 is intended to be utilised by the Hospice in the medium term to develop the buildings and infrastructure, and is held as a contingency against medium-term performance against thirteen strands of the 5-year business plan.

◆ ***Worldwide fund***

This fund is put in place to generate an annual income in order to provide grants that fund enhancement or development of the work of the worldwide Congregation, as requested by the Daughters of the Cross of Liege International Generalate.

◆ ***Adversity reserve fund***

This fund has been established to provide availability of liquid funds in case of an adverse event or set of circumstances that create a significant and urgent financial need. This may include events or circumstances such as providing an indemnity to the pension scheme once it has been wound up, or an event not covered by the charity's insurance policies.

◆ ***Income risk reserve fund***

The income risk reserve fund is set up to provide a liquid reserve for the charity in case of an exceptional dip in net income in the year, caused by exceptional circumstances such as seen during the Covid-19 pandemic. This will provide immediate cash funds to both The Province and Holy Cross Hospital so that normal operations and cashflow are not negatively impacted. A short-term dip in income may arise from either a drop in investment income at The Province, or from a sudden loss of fee income at Holy Cross Hospital, where its own reserves may be protected for future use, by the availability of cash from this designated fund.

14 Analysis of total net assets between funds

	General fund £'000	Tangible fixed asset fund £'000	Other designated funds £'000	Restricted funds £'000	Total funds £'000
Fund balances at 31 March 2021 are represented by:					
Tangible fixed assets	—	32,995	—	—	32,995
Fixed asset investments	—	—	105,867	1,449	107,316
Net current assets	6,614	(15)	3,868	84	10,551
Other liabilities	(1,70)	—	—	—	(1,70)
Total net assets	6,444	32,980	109,735	1,533	150,692

	General fund £'000	Tangible fixed asset fund £'000	Other designated funds £'000	Restricted funds £'000	Total funds £'000
<i>Fund balances at 31 March 2020 are represented by:</i>					
<i>Tangible fixed assets</i>	—	34,164	—	—	34,164
<i>Fixed asset investments</i>	—	—	88,347	1,134	89,481
<i>Net current assets</i>	6,130	—	8,051	3,478	17,659
<i>Other liabilities</i>	(1,158)	—	—	—	(1,158)
<i>Total net assets</i>	<i>4,972</i>	<i>34,164</i>	<i>96,398</i>	<i>4,612</i>	<i>140,146</i>
				2021	2020
				£'000	£'000

Unrealised gains included above:

On tangible fixed assets	2,695	3,907
On investments	18,909	4,710
Total unrealised gains at 31 March 2021	21,604	8,617

Reconciliation of movements in unrealised gains and losses

Unrealised gains at 1 April 2020	8,617	17,871
Less: amount in respect of disposals in the year	—	(10)
Less: net gains (losses) arising on investment revaluations	13,017	(9,155)
Less: depreciation on revalued fixed assets	(30)	(89)
Total unrealised gains at 31 March 2021	21,604	8,617

The revaluation reserve, as required by the Companies Act 2006, is equivalent to the total unrealised gains, shown above.

15 Related party disclosures**Sisters**

The Sisters of the Congregation are beneficiaries of the charity, in that the costs of their ministry and welfare are met by the charity. The trustees are all Sisters and they are not remunerated for their services. No trustee had any beneficial interest in any contract with the charity.

15 Related party disclosures (continued)

Sisters (continued)

The trustees, as Sisters of the Congregation, covenant their salaries and pensions to the charity. During the year the six trustees covenanted an aggregate of £116,967 to the charity (2020 - £115,455).

International Generalate

By means of a lease, the charity provided accommodation for the central government of the Congregation. The International Generalate is the base for the Superior General and her Council who, under the structure of a separate registered English charity (Charity no. 1142490), guide, support and monitor the worldwide services of the Congregation. This lease ended in September 2021, when the Generalate relocated to its new base in Rome, Italy.

Worldwide Congregation

The Sisters are members of the worldwide Congregation of the Daughters of the Cross of Liege and the charity has objects which are not restricted to the UK. Total grants of £162,000 (2020 – £152,000) were made during the year to the worldwide Congregation or for Sisters within it. Grants were made to Provinces and Sisters in Rourkela, Nepal and Cameroon.

St Raphael's Hospice

St Raphael's Hospice (registered company number 11732567 and registered charity number 1182636) was registered at Companies House on 18 December 2018 and with the Charity Commission on 26 March 2019. On 31 October 2020 certain assets and liabilities were transferred from the Daughters of the Cross of Liege to the new St Raphael's Hospice charitable company. During 2020/21 a grant of £3.6m (2020 - £200,000) was given by the Daughters of the Cross of Liege, to the new St Raphael's Hospice charity. Two trustees of this charity; Sister Veronica Hagen and Sister Kathleen O'Reilly are trustees of the new St Raphael's Hospice charity in order to aid the transition to operating independently of the Daughters of the Cross.

St Elizabeth's Centre

Two trustees of the Daughters of the Cross are trustees of St Elizabeth's Centre; Sister Veronica Hagen and Sister Josephine Clemence. Currently three Sisters reside in the Much Hadham Convent, which is situated on the site owned by St Elizabeth's Centre, in line with the transfer agreement document signed upon separation of St Elizabeth's on 30 September 2018 from this charity. During the year St Elizabeth's paid the Daughters of the Cross of Liege £1,000 (2020 - £7,000) in rent for the use of St Anne's Cottage.

16 Pension commitments

The Works contribute to pension schemes, providing pensions under both defined benefit and defined contribution arrangements.

The assets of the funded schemes are held independently of the charity's finances.

16 Pension commitments (continued)

Details of the contributions are as follows:

Name	Type of Scheme	Administrator	Contributions in year	
			2021 £'000	2020 £'000
Holy Cross Hospital	Defined benefit	NHS Pension	13	13
Holy Cross Hospital	Defined contribution	The People's Pension	90	81
St Raphael's Hospice	Defined contribution	Aegon Pension	73	115
St Raphael's Hospice	Defined benefit	NHS Pension	25	65
Province	Defined contribution	The People's Pension	4	4
Non-scheme contributions			18	18
			223	296
			223	296

National Health Service (NHS) Pension Scheme

The NHS pension scheme is a defined benefit scheme operated by the National Health Service Superannuation Scheme. The administration of the scheme is dealt with by the National Health Service Pension agencies. The charity is unable to identify its share of the underlying assets of the scheme. Accordingly it has accounted for its contributions as if it were a defined contribution scheme. Contributions to this scheme are paid in respect of current service. There is no liability to the charity in respect of past service.

17 Leasing commitments

Operating leases

At 31 March 2021, the charity had total commitments under non-cancellable operating leases for land and buildings as follows:

	Land and buildings	
	2021 £'000	2020 £'000
Within one year	—	286
Between one and five years	—	728
More than five years	—	303
	—	1,317

18 Contingent asset

Several years ago, the charity paid a proportion of the estimated buy-out total requirement into the St Elizabeth's Final Salary Scheme, in order to facilitate the buy-out of the Scheme by an insurance provider. Subsequently, the charity was informed by the Scheme Trustee that the amount paid was greater than the total sum required by the insurer for Scheme to be bought out. The charity's position is the surplus amount should be returned to the charity. It is not possible to reliably estimate the amount due to the charity, or when it will be received, as negotiations with the Scheme are not yet complete and the amount is subject to the finalisation of the costs of the negotiations and the winding-up process, which must be met from the Scheme.

19 St Raphael's Hospice

With effect from 31 October 2020, the activities and net assets of St Raphael's Hospice were transferred to an independent charitable company, St Raphael's Hospice Ltd. The value of the net assets at 31 October 2020 are detailed below:

	£'000
Fixed assets	634
Debtors	1,027
Cash	2,778
Current liabilities	(740)
Net assets	3,699

The net assets transferred represented:

	£'000
Fixed assets fund	634
General fund	2,741
Restricted funds	324
	3,699

The net assets shown above, split by fund are how the funds are represented within the Hospice's own accounts. In the charity's aggregated accounts, the Hospice funds are shown as all being restricted. The income and expenditure relating to St Raphael's Hospice for the period until the transfer are defined as relating to discontinued activities within the prior year comparatives of these financial statements.

20 Post balance sheet events

There are no post balance sheet events that require disclosure.

◆ **Scope**

The financial statements disclose the financial position and results of the charitable company, which incorporate and aggregate the results of the Province with its Works which were:

- ◆ Holy Cross Hospital, Haslemere, Surrey
- ◆ St Raphael's Hospice, Cheam, Surrey (from 1 April 2020 – 31 October 2020)

As at 31 March 2021, the six existing Communities were: Cheam St Joseph's, Surrey; Cheam St Mary's, Surrey; Chelsea, London; Haslemere, Surrey; Much Hadham, Hertfordshire; Stillorgan (Dublin), Ireland.

◆ **Assets and liabilities**

Cash

Cash is held in hand, in bank accounts available on demand, or on term deposits with an expiry date within three months of the balance sheet date at the date of acquisition.

Creditors

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt.

Debtors

Debtors are recognised at their settlement amounts, less any provision for non-recoverability. Prepayments are valued at the amount paid in advance.

Provisions

Provisions are recognised when there is a present obligation as a result of a past event, it is probable the charity will be required to settle the obligation, and a reliable estimate of the amount can be made. The amount recognised as a provision is the best estimate of the consideration required to settle the obligation as at the balance sheet date.

Investments

Investments are held mainly in companies quoted on world stock exchanges (or in funds which invest in the same way), partly for the purpose of generating income and partly to maintain the value of the charity's funds. They are initially recorded at cost, and at the balance sheet date are valued at fair value (the value for which they could be sold).

Gains or losses are included in the statement of financial activities as part of net income or expenditure.

Investment property is included at open market value.

◆ **Assets and liabilities** (continued)

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, less accumulated depreciation and, where appropriate, impairment provisions. All assets costing £5,000 or more, and with an expected useful life exceeding one year, are capitalised. A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of any fixed asset may not be recoverable.

The majority of freehold land and buildings under the total control of the trustees and in use within the charity were valued at 31 March 2014 on a depreciated replacement cost or an existing use basis. Under the transitional arrangements set out in FRS 102, the valuations are deemed to be equal to cost at the date of transition. Subsequent additions are stated at cost.

Depreciation is calculated at the following annual rates in order to write down each asset to its estimated residual value over its estimated useful life:

Freehold buildings	2 - 5% on cost or revalued amounts
Leasehold property	over the period of the lease
Medical, computer and office equipment	4 - 33% on cost
Motor vehicles	10 - 25% on cost

No depreciation is provided on freehold land or assets in the course of construction.

Term deposits

Term deposits comprise monies held with deposit-taking institutions with terms longer than three months.

Financial instruments

The charity only holds basic financial instruments and accounts for these in accordance with FRS 102. The financial assets and financial liabilities of the charity and their measurement basis are as follows:

Financial instruments

Financial assets – Other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank – Classified as a basic financial instrument and is measured at face value.

Financial liabilities – accruals and other creditors are financial instruments and are measured at amortised cost.

◆ **Basis of accounting**

Accounting convention

The financial statements have been prepared under the historical cost convention with items initially recognised at cost or transaction value unless otherwise stated in the relevant accounting policy note.

◆ **Basis of accounting** (continued)

Accounting convention (continued)

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 (Charities SORP FRS 102);
- ◆ the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102);
- ◆ the Charities Act 2011; and
- ◆ the Companies Act 2006.

The charity is a public benefit entity as defined by FRS 102.

Critical accounting estimates and areas of judgement

The trustees consider that the judgements they have made in the process of applying the charity's accounting policies which give rise to significant effects on the amounts recognised in the financial statements are:

- ◆ The value of the provision for compensation;
- ◆ The estimated useful lives of fixed assets and therefore the rates of depreciation
- ◆ The future commitments and other obligations that are used to establish the value of designated funds; and
- ◆ The assessment of the St Elizabeth's Centre Final Salary Scheme surplus as a contingent asset.

In addition to the above, the lasting impact of the global coronavirus pandemic still has some unknowns. For example, valuations used in the financial statements, particularly with respect to the investment properties and listed investments are subject to a degree of uncertainty and volatility.

The trustees do not consider that there are any key assumptions concerning the future, or any other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Going concern status

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements and they have made this assessment in respect of a period of one year from the date of approval of these financial statements.

◆ **Basis of accounting** (continued)

Going concern status (continued)

The trustees are acutely aware of the effect that Covid-19 has had on the charity's finances and operations. The ability to generate income, be that through fundraising channels, care fees from admitting new patients, or investment income has been very difficult and government assistance has been crucial in keeping certain parts of the charity running without large deficits. However, the trustees are confident that the charity has, and will continue to have, sufficient resources to meet its liabilities as they become due.

The trustees have concluded that there are no material uncertainties related to events or conditions that would cast significant doubt on the ability of the charity to continue as a going concern. This is because they believe they have sufficient unrestricted reserves to withstand any temporary drop in income or any additional unexpected liability.

◆ **Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and is inclusive of irrecoverable VAT.

Expenditure on raising funds

This represents the costs of fundraising and of generating voluntary income. It includes the running costs of the charity shops, as well as the salaries of fundraising staff. It also includes the fees charged by investment managers for managing the charity's investments.

Pension costs

- ***Defined benefit schemes***

The charity contributed to one defined benefit pension scheme, the NHS Pension Scheme, providing benefits based on either final or career-average pensionable salary, depending on the scheme. The National Health Service Superannuation Scheme is a multi-employer defined benefit scheme and is an unfunded scheme. As it is not possible to identify the share of the underlying assets and liabilities belonging to individual participating employers, the contributions to the scheme are recognised in the statement of financial activities so as to spread the cost of pensions over employees' working lives.

- ***Defined contribution schemes***

The charity operates a number of defined contribution pension schemes. The amounts charged to the statement of financial activities represents the employers' contributions payable to the schemes in the year.

Support costs, including Governance

All direct costs associated with the Works are accounted for by them and reflected in their expenditure, including their own support costs.

◆ **Expenditure** (continued)

Support costs, including Governance (continued)

The central costs of the charity are the support costs and these support the Works and the welfare and work of the Sisters. Where costs relate specifically to an activity, they are allocated to that activity. The other general support costs are allocated on the basis of the cost and time the central Province team spend on each activity.

Included within support costs are those which relate to the governance arrangements of the charity. These are principally audit fees, the cost of legal and other professional advice to the trustees and staff costs associated with meeting constitutional and statutory requirements. Nothing is included for trustees, as there is very little extra trustee-cost over and above their welfare and ministry costs as Sisters of the Congregation.

◆ **Fund accounting**

Restricted funds

The restricted funds are funds which have been raised for a specific purpose or which are subject to restrictions on their use and include those funds which have to be spent at a particular Work. Restricted funds raised for capital expenditure are released to unrestricted funds once they have been spent. Any income, gains or losses arising from the assets underlying the restricted funds form part of restricted funds.

The restricted funds include all the general funds of the charity's hospice, up to 31 October 2020, at which point they were transferred to the new St Raphael's Hospice charitable company.

Designated funds

Designated funds are those funds earmarked by the trustees for a specific purpose. They are unrestricted, and the trustees may ultimately use such funds for other purposes. Any income, gains or losses on the assets underlying the designated funds form part of general unrestricted funds.

The funds represented by the net book value of fixed assets are treated as designated funds.

General fund

The general fund represents unrestricted and undesignated monies used to fund working capital and which the trustees may use at their discretion in furtherance of the charity's objects.

Revaluation

Investments are stated at valuation and most tangible fixed assets were stated at valuation until 31 March 2014, when under the transitional arrangements set out in FRS102, the charity elected to treat property valuations prior to 1 April 2014 as their deemed cost at that date. All the fund balances, including restricted and designated funds, include a revaluation element. The notes give details of the amounts included at the balance sheet date.

◆ **Income**

Income is recognised in the period in which the charity is entitled to receipt, the amount can be measured reliably, and it is probable that the funds will be received.

At the end of any financial year, the charity will have issued invoices to local authorities, health authorities, and individuals which cover a period beyond the balance sheet date. This income is carried forward and disclosed as "Income received in advance".

In accordance with the Charities SORP FRS 102, no financial valuation of volunteer time is recognised in these financial statements.

Donations and legacies

- ◆ Donations represent income given by individuals, corporations and trusts including recoverable taxation.
- ◆ Legacies are included in the statement of financial activities when there has been a grant of probate, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the charity.
- ◆ Covenanted income from the Sisters of the Congregation arises from the donation of their salaries and pensions.

Grants receivable

Grants receivable are accounted for in the period in which they fall due. Grants from the Government and other agencies are included as income from charitable activities where they amount to a contract for services, and as donations where the money is given in response to a fundraising appeal or with greater freedom of use.

Income from charitable activities

- ◆ Fees and charges are derived from individuals and Public Authorities and are stated exclusive of VAT.
- ◆ Other income represents proceeds from the sale of food and sundry other income.

Income from other trading activities

- ◆ Income from trading activities comprises that from running charity shops and a lottery, and from holding fundraising events.
- ◆ Income from the sale of donated goods within the charity shops is accounted for when the goods are sold. The resources that would be required to value and record the goods as they are donated are too great to make this a practical method of accounting. Donated goods therefore have no value in these financial statements.

Investment income

Investment income, representing dividends, interest, and income from property, includes any associated tax recoverable. Dividends are recognised once the dividend has been declared and when the right to receive the dividend payment is irrevocable.