

**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

Contents

Trustees' Report

1 Summary of activities	1
2 Trustees	2

Strategic Report

3 Introduction	2
4 Charity's aim and objects	3
5 Strategic plans and objectives	4
6 Activities, performance and achievements in the year	5
7 Volunteers	11
8 Financial Review (including reserves)	12
9 Investments	16
10 Fundraising	19
11 Risk management	19
12 Events since the year-end and future plans	20

Other matters

13 Public benefit	21
14 Safeguarding	21
15 The environment	22
16 Structure and governance	22
17 Management	24
18 Related parties	25
19 Statement of trustees' responsibilities	26

Registration details and principal advisers	28
--	-----------

Independent auditor's report	29
-------------------------------------	-----------

Financial Statements

Statement of financial activities	33
Comparative statement of financial activities	34
Balance sheet	35
Statement of cash flows	36
Notes to the financial statements	37
Principal accounting policies	49

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.

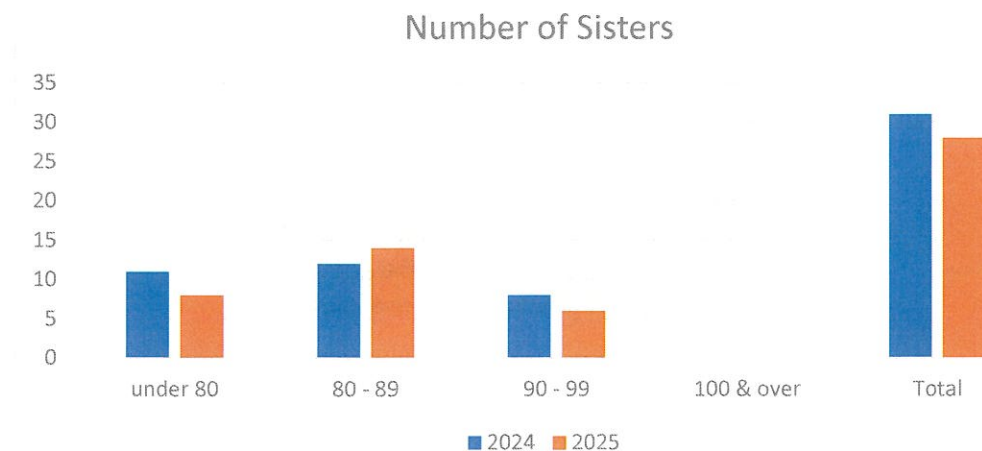
The Province's frail and elderly Sisters are cared for in appropriately adapted accommodation in Haslemere, Surrey and in Stillorgan, Ireland within a Community setting and with the help of lay staff. The costs are significant, but it avoids the need for Sisters to go into the full-time and even more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

- ♦ 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.

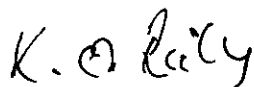
The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding 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		Restricted funds	Total funds 2025	Total funds 2024
		General funds £'000	Designated 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	6					
Support of members of the Congregation and their ministry		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	Total funds 2024
		General funds	Designated funds		
		£'000	£'000	£'000	£'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>					
6					
Support of members of the Congregation and their ministry		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>		<i>44,292</i>	<i>—</i>	<i>(3)</i>	<i>44,289</i>
<i>Net gains (losses) on investments</i>	12	<i>7,428</i>	<i>—</i>	<i>(10)</i>	<i>7,418</i>
<i>Net income (expenditure)</i>		<i>51,720</i>	<i>—</i>	<i>(13)</i>	<i>51,707</i>
<i>Transfers between funds</i>		<i>(3,519)</i>	<i>3,519</i>	<i>—</i>	<i>—</i>
<i>Net movement in funds</i>		<i>48,201</i>	<i>3,519</i>	<i>(13)</i>	<i>51,707</i>
<i>Reconciliation of funds:</i>					
<i>Total funds brought forward at 1 April 2023</i>		<i>10,699</i>	<i>132,054</i>	<i>1,491</i>	<i>144,244</i>
<i>Total funds carried forward at 31 March 2024</i>		<i>58,900</i>	<i>135,573</i>	<i>1,478</i>	<i>195,951</i>

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

	Unrestricted funds 2024 £'000	Total funds 2024 £'000
<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

	Unrestricted funds 2024 £'000	Total funds 2024 £'000
<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>			
Donations	19	29	48
Covenanted income from Sisters of the Congregation – pensions and other income	666	—	666
Legacies	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>			
Property – St Wilfrid's	49,380	—	49,380
Property – other	283	—	283
Motor vehicles	7	—	7
	49,670	—	49,670

	Unrestricted funds 2025 £'000	Restricted funds 2025 £'000	Total funds 2025 £'000
Property	83	—	83
Other income	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
	Unrestricted funds 2024 £'000	Total funds 2024 £'000
Investment management costs	353	353
Support costs	198	198
	551	551

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
Support of Members	880	3,065	657	4,602
Holy Cross Hospital	6,370	2,419	306	9,095
Grants and Donations	—	3,222	—	3,222
	—	18	15	33
	7,250	8,724	979	16,952

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
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
		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

	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
--	--------	---------	-------	---------

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.