

CONGREGATION OF THE DAUGHTERS OF THE CROSS INTERNATIONAL

England & Wales · Charity number 1142490

Details

Other names	CONGREGATION OF THE DAUGHTERS OF THE CROSS INTERNATIONAL GENERALATE
Status	Registered
Legal form	Charitable company
Company number	07565399
Registered	2011-06-20
Register	View on the Charity Commission register

Contact

Address	1st Floor Church House 61 College Road Bromley Kent
Phone	07443252361
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Activities

Objects: The objects for which the Charity is established are to advance religion for the benefit of the public, in particular but not limited to by supporting the charitable works carried out or supported around the world by members of the Congregation and by the formation and training of the members of the Congregation.

Activities: The Charity was established as the legal entity for a world-wide Congregation, embracing all its activities. When the Generalate moved to Rome, Italy, the Charity became grant-making. Its objects remain unchanged: to advance religion for the benefit of the public, in particular but not limited to, to support the charitable works carried out by its members and formation and training of its members.

Classification

- **How:** Makes Grants To Organisations
- **What:** Other Charitable Purposes
- **Who:** Children/young People, Elderly/old People

Geography

- **Area of benefit:** NOT SPECIFIED, IN PRACTICE WORLDWIDE
- Throughout England

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£461,178	£744,517	-	-
2023-12-31	£214,559	£392,061	-	-
2022-12-31	£121,648	£1,321,680	-	-
2021-12-31	£490,501	£130,130	-	-
2020-12-31	£436,768	£173,558	-	-

Trustees

Name	Role	Appointed
LORNA MARY CLARK		2026-03-18
SISTER MARY MACLAUGHLIN		2012-06-21
SISTER MAUREEN O'BRIEN		2018-05-26
SISTER PUSHPA ELISHWA PURATHUR		2012-06-21
SISTER VALERIE MIRANDA		2018-05-26

CONGREGATION OF THE DAUGHTERS OF THE CROSS INTERNATIONAL

England & Wales - Charity number 1142490

Accounts

Congregation Of The Daughters Of The Cross International

Annual Report and Financial Statements

31 December 2024

Company Limited by Guarantee
Registration Number 07565399 (England and Wales)

Charity Registration Number 1142490

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Reference and administrative information

Trustees	Sister Pushpa Purathur (Superior General) Sister Mary McLaughlin Sister Maureen O'Brien Sister Valerie Miranda Peter Cousins FCA
Bursar General of the Congregation	Sister Josephine Rozario
Registered office	C/O Buzzacott LLP 130 Wood Street London EC2V 6DL
Company registration number	07565399 (England and Wales)
Charity registration number	1142490
Auditor	Buzzacott Audit LLP 130 Wood Street London EC2V 6DL
Bankers	NatWest Bank plc 38 Strand London WC2H 5JB
Solicitors	Stone King LLP Broad Quay House Bristol BS1 4DJ

The trustees present their statutory report (which also constitutes a directors' report for the purposes of company law) together with the financial statements of the Congregation Of The Daughters Of The Cross International (the "Charity") for the year ended 31 December 2024.

The financial statements have been prepared in accordance with the accounting policies set out on pages 22 to 24 of the attached financial statements and comply with the Charity's Memorandum and Articles of Association, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Charitable objectives and activities

The Congregation of the Daughters of the Cross of Liege ("the Congregation"), is a Roman Catholic Religious Congregation founded in 1833 in Liege, Belgium. The Congregation's principal objectives set out in its Constitution are to advance religion and other charitable work, in particular the relief of poverty and the support of those on the margins of society.

Within the Congregation worldwide there are five Provinces, four Regions and two Communities (Germany and Rome) under the Generalate, which is the central government of the organisation based in Rome, Italy. The Generalate comprises the Superior General and her Council, and the Superior General and one member of the Council are trustees of the Charity. As at 31 December 2024 there were 665 Sisters (2023: 668) within the Congregation living and working around the world. The Superior General is responsible to the Holy See in Rome, Italy.

The Charity was originally established to be the legal entity which embraced all the activities of a Central Government for a world-wide Congregation and when the Generalate moved to Rome, Italy, the Charity became a grant-making charity. Its objects remain unchanged - to advance religion for the benefit of the public, in particular but not limited to, by supporting the charitable works carried out or supported around the world by members of the Congregation and by the formation and training of the members of the Congregation.

The Charity makes grants in the following ways:

- ◆ By financing the Generalate and its support Community in Rome.
- ◆ By funding the work, and the projects which enhance it, of the Sisters and their activities in providing for their beneficiaries.
- ◆ By relieving poverty, distress and suffering among the world's deprived and needy people by way of grant funding, either through the Sisters' work or directly.

In order to describe the benefits that the grants generate, it is necessary to describe the work of the Generalate and the Sisters and this is done below.

Charitable objectives and activities (continued)

The Congregation is deeply rooted in the Paschal mystery of the Passion, Death and Resurrection of Jesus Christ and built on its tradition of care, support and compassion for those who are weakest and most vulnerable in our world, the Congregation continues to work in countries where people are living in poverty and on the margins of society. The founder of the Congregation, Blessed Marie Therese and co-founder, Canon Habets, established social care, nursing and education as priorities in the Congregation but “excluded no work of mercy” and the Sisters and their co-workers continue to be committed to the work of general and special education, the care of the sick, social and pastoral work, the relief of poverty and suffering, and the empowerment of women and girls, especially in countries where they experience oppression.

The Generalate, and the Sisters in leadership positions, continue to explore ways of fulfilling their objects in the face of the continuing challenges of their increasing age profile and the decline in the number of Sisters, especially in the Western Provinces.

The principal activities of the Generalate cover the following:

- ◆ support of the work of the Sisters themselves;
- ◆ support of the worldwide Congregation; and
- ◆ support of co-workers, volunteers and associates of the Congregation.

In authorising grants, the trustees follow the guidance of the Charity Commission on the provision of public benefit and they consider how they will contribute to meeting the Charity's objects. In considering potential grants, the trustees are aware that the Congregation focuses on services which deliver the greatest impact to the most vulnerable children and adults in the countries where they are established, whether by way of direct expenditure or by grants and donations.

In mission areas (these are generally in developing countries or in remote areas of established countries) the Sisters set up training programmes which enable the people they are involved with to become as self-sufficient as possible. The Sisters strive always to offer assistance by investing in projects that give people the support and skills they need to turn their life around. In India, Nepal and Pakistan, the Sisters have also set up centres of excellence in the field of education, medical and nurse training facilities, as well as care centres offering social-work support and a caring supportive environment for the disadvantaged and marginalized in society.

The Congregation upholds the common commitment to safeguarding as an integral part of the life and ministry of all its members and this is reflected in its commitment to the safeguarding of children, young people and adults who may be at risk. The Congregation's policies and procedures are reviewed and updated as necessary. In all the countries where the Congregation is established the Sisters, their staff, and volunteers adhere to the guidelines of the Catholic Church and to the national guidelines in those countries.

Charitable objectives and activities (continued)

In the different Provinces, Regions and Communities under the Generalate of the Congregation, those in leadership positions aim to ensure that all policies and procedures are in place to enable the safe management of its operations and the safety of all to whom the Congregation is offering a service.

As well as supporting the current works, the Generalate also has a responsibility to ensure that Sisters have the necessary care as they age and retire from mainstream activity. These Sisters have contributed to the activities of the Congregation for most of their adult lives but, as they take a vow of poverty, the Generalate has a responsibility to ensure that they are provided for within their own Communities. Although not working in the mainstream, these Sisters have a vast experience of the work, and they continue to help, advise and support the younger Sisters in their activities as far as each one is able.

The Congregation's longer-term objectives are set at each General Chapter which takes place every six years. One of the Charity's objectives is to continue to support the Congregation, and to support the Generalate in its work to fulfil the objectives set at the General Chapter in May 2024. The next General Chapter will take place in 2030.

Generalate Visits and Meetings

The Generalate team support the worldwide Congregation by: canonical visitations; monitoring projects and activities throughout the year; organising National and International meetings, conferences and workshops which bring many of the Congregation's members together several times a year; facilitating and promoting communication and dialogue at all levels throughout the Congregation. Spiritual input plays an important part in these meetings. Sisters and their co-workers keep up to date in their professional practice ensuring that a culture of "best practice" is maintained in all of their establishments. This is verified by the excellent reports received from social services, health and educational authorities.

During their six-year term of office, the Superior General and her Council carry out a programme of pastoral and canonical visitations of the Provinces and Regions. These visits give them the opportunity to assess and monitor the work of the Congregation in that particular region, which is subsequently reported to the trustees. In developing countries, there is sometimes the need to expand the work or establish new missions or, occasionally, to hand over to a local charity which has the necessary skills to carry on the work without the support of the Sisters.

In the developing countries where the Congregation is attracting new vocations, the visits of the Superior General can be an important event and a time to celebrate the achievements of the new Communities and the initiation of new members into the Congregation.

Charitable objectives and activities (continued)

Training

Trustees keep up to date in various ways – by seeking advice from their advisors, by attending courses and events, and by meeting other professionals in the areas of Safeguarding, Health and Safety and related matters. The Sister trustees also consult others in similar situations to ensure that they keep up to date with current issues.

New trustees are given the opportunity to attend workshops and training to ensure that they have the relevant skills and knowledge to fulfil their role as trustees of the Charity.

The Generalate and the Sisters in leadership positions in the Provinces keep updated on the changing regulations and legislation within their countries, by attending workshops and courses, especially on Safeguarding and Health and Safety. They also set up relevant Policies and Procedures as required by civil authorities in that country.

Trustees' meetings

The trustees meet twice a year in England in the Spring and Autumn and have one online meeting in-between.

General Finance Advisory Committee

The General Finance Advisory Committee is an advisory committee set up by the Generalate to support and advise the Charity and the Generalate on its financial and related affairs. It meets twice a year in Spring and Autumn to coincide with the trustee meetings. Its members are the trustees, three General Councillors, the Bursar General and other lay members drawn from mainly, financial, investment and legal backgrounds.

Achievements and performance

Grants made

The Charity made grants totalling £696,879 during the year (2023: £353,387). Of this total, the Generalate received total grants amounting to £524,360 (2023: £264,000) which helped to meet the running costs of the Generalate in Rome. A grant of £93,420 (2023: £1,717) was made from the Chapter Fund as a contribution towards the costs of the 2024 Chapter.

The Region of Cameroun, Africa, received a grant of £28,745 in order to construct the boundary wall and to dig a well. (2023: £51,677 to buy land on which to build the Convent).

There were small grants totalling £50,354 (2023: £35,993) which comprised: grants from the Entraide Fund of £21,101 (2023: £4,341) and Patrimony Fund of £10,943 (2023: £8,597), for the poor of the world and the poor looked after by the Congregation respectively; and a grant for Formation costs of £18,310 (2023: 22,004) (see note below).

Achievements and performance (continued)

Formation and training

One of the Charity's objects is to support the formation and training of the members of the Congregation. Grants of £18,310 (2023: £22,004) were made to the Rourkela Province and Cameroun Region to meet their costs. Other Provinces, Regions and Houses do have costs of formation and training but where they have the funds to meet them, there is no need for the Charity to make grants.

Ongoing religious formation for all the Sisters, regardless of age, is important in what has become a mainly secular society. Formation and training of young Sisters for full membership of the Congregation and for professional qualifications remains a high priority. Natural aptitude and ability, as well as the needs of the Mission of the Congregation, are taken into consideration when preparing the young Sisters for their future roles in the Congregation. The qualifications and specialisations are predominantly in the areas of health, welfare and education.

Spirituality courses are also essential for the development of Sisters in their own religious commitment and to enable them to respond to the challenges in living it out and in forming others in the Charism of the Congregation.

Professional training and qualification in all the areas that the Sisters are engaged in has become even more important as they work alongside highly qualified and competent lay colleagues.

Training for leadership amongst the younger Sisters remains a priority in the Congregation and each year courses are identified which will enable them to gain qualifications and they are given relevant experience to take up senior positions within the Congregation. At the 2024 Chapter, three new Members of Council were appointed to the Generalate and one of those had previously served as the Provincial Superior (the Head) of one of the Provinces.

The Generalate

The Generalate grant of £524,360 (2023: £264,000) helped to meet the running costs of the Generalate in Rome, which carries out the duties of the Central Government, together with grants to help make their building in Rome fit for purpose. The Generalate's costs include travel costs and during the year the Generalate Sisters have visited Provinces in Pakistan, Bombay, Calcutta, Rourkela, and England, and the Regions of Belgium Francophone, Belgium Neerlandophone, Brazil and Cameroun, and the Community in Germany.

Two of the trustees are part of the Leadership Team in the Generalate and two trustees served in that role until the 2024 Chapter. The Generalate holds overall responsibility for the life and mission of the Congregation and their role is to guide, inspire and animate the Sisters in accordance with their constitutions to encourage a spirituality that is living, faithful, and creative.

Achievements and performance (continued)

The Congregation

Set out below are brief reports into the types of activities carried out across the worldwide Congregation.

The year 2024 was a momentous year for the Congregation as it held its 42nd General Chapter in May 2024 at which 36 delegates participated in the Generalate in Rome. This brought the General Council together with representatives from the 5 Provinces, 4 Regions and 2 Communities for three weeks to review the past and look into the future.

One of the main calls was to oneness and solidarity in the Congregation amidst diversity, as well as to seek more effective ways in mission in a fast-changing world. Attention to and careful investments of the Charity's funds is always a focus, as its income is the mainstay of the Generalate and of certain activities in the Congregation too.

In the Pakistan Province, the main apostolate continues to be Education. The Sisters have several schools and a degree college. They also work in senior positions in the Parish schools. The education of street children is given priority in their boarding as well as in the schools. Their prestigious schools and college, offer free scholarships to the poorer children. Some Sisters are involved in working with the tribal women and children in the Provinces of Punjab and interior Sind. The Sisters are also involved in pastoral, social and health care activities.

The Indian Provinces of Bombay, Calcutta and Rourkela continue to operate in the fields of education, health, social and pastoral work. At times the Sisters function independently and sometimes in collaboration with other organisations always with the charism before them. Training the Sisters and preparing them for the ministry is the constant focus. Simultaneously religious formation that is foundational is stress and this is supported by the Charity where necessary as in the Province of Rourkela.

For the construction of hospitals in Bombay and Calcutta, a school in Rourkela and a hostel in Calcutta, the Provinces found resources from varied quarters from within and outside the Congregation. The Institutions are well administered, finance meticulously managed and Government Policies followed.

Today the Daughters of the Cross face new challenges that come from the cry of suffering people and the cry of the earth in travail and the Charity attends to the needs of the poor in close proximity with the Congregation.

In September 2024, the Cameroun Mission entered its Silver Jubilee year with eleven indigenous and nine Indian Sisters. In the North, in the Maroua diocese, education is flourishing with a new Primary school in Warbha that will be a feeder to the Marie Therese college in Mayo Ouldeme. In the Kumbo diocese the Anglo-French conflict stifles education but the primary school in Nkanchi is well attended and the health centre reopened where a Sister nurse is in attendance.

Achievements and performance (continued)

The Congregation (continued)

The land in Yaounde, financed by the Charity, is being developed with a boundary wall, a tube well and a regional house soon to be constructed with a primary health centre in its vicinity. This will be an asset stop-over for Sisters travelling and later for joint Congregation meetings. The registration of the land in Cameroun is in progress. Being a young region, the unit is financed largely by the Congregation, from income of the Charity, the World-Wide Fund and generous benefactors.

In the West, the English Province, the Belgian Regions of Francophone and Neerlandophone and the community in Germany are diminishing in numbers. Most of the spade work of settling the property and assets has been done. The Sisters are very well cared for according to their needs. Financial help is offered where necessary as was the case Germany in recent years where funds were drawn from income of the Charity.

The Rome community has Sisters supporting the Generalate directly and those engaged in household management. These Sisters are involved in assisting in Caritas and San Egidio, as well as in the Parish during the week.

The Sisters in the Brazil region continue to be involved in the apostolate of formal regular and special education. A Sister is engaged full time with students needing special care. Some use their skills of creative art to engage youth with whom they have regular meetings and offer guidance and counselling. Others visit the prison, the sick and elderly, families and people in the slums.

Refurbishment and development work on the Generalate building was mostly completed during the year and the 2024 Chapter was held in the building with only a small number of delegates and assistants having to be accommodated elsewhere. The Generalate building houses the Generalate Sisters, a small Community of Sisters, archives, meeting and conference rooms.

Financial review

Results for the year

A summary of the year's results is given on page 18 of the financial statements.

Total income for the year was £461,178 (2023: £214,559) which was mainly investment income and total expenditure was £744,517 (2023: £392,061). Grants and donations, which are explained under Achievements and Performance, amount to £696,879 (2023: £353,387) and the balance was Support costs which totalled £47,638 compared with £38,674 last year.

The net expenditure for the year before investment gains (2023: gains) was therefore £283,339 (2023: net expenditure of £177,502). It is the nature of the funding required by the Generalate for the support of the worldwide Congregation, that significant expenditure is required from time to time which results in net expenditure.

Financial review (continued)

Investment policy and performance

Investments are with two investment managers and placed in ethical multi-asset unitised funds which have investment policies which are similar to the principles of Catholic social teaching. These investment managers are CCLA Fund Managers Limited, with investment in COIF Charities Ethical Investment Fund, and Cazenove Capital (a trading name of Schroder & Co Limited) with investment in the Sustainable Multi-Asset Fund.

Cazenove Capital had been appointed in place of BlackRock Fund Managers Limited and the investment funds were transferred in April 2024 at no cost to the Charity.

The Charity's investment objectives are to achieve capital growth in the longer term, say five to ten years, whilst preserving the capital value in real terms and to generate a growing income over time. Income and gains are withdrawn to fund the grants and support costs.

The investment managers' results and performance are reviewed twice a year at the Charity's General Finance Advisory Committee meetings and representatives of the investment managers attend one or other of these meetings.

Stock Markets continued to do well in 2024, although not to the same extent as in 2023. Investment gains were £563,957 compared with £1,237,381. The market value of investments at 31 December 2024 were £17,394,877 (2023 £17,057,641). Of this amount £1,303,447 (2023 £1,119,925) relates to funds held for one Province and one Region in the worldwide Congregation, which is paid over to them as and when they require it. Details of the movement in investments are given in note 8 to these financial statements.

Since the year end, there has been turmoil in Stock Markets as the USA has imposed tariffs on most countries' imports and investment values have fallen. Some tariffs have then been reduced or withdrawn and the markets are still reacting to the new order. This volatility in markets is likely to continue for some months to come

Reserves policy and financial position

The Charity has an Endowment Fund and one Restricted Fund, the Patrimony Fund. The trustee's policy beyond these two funds is to designate amounts for specific purposes where there is an obvious or potential need, whilst maintaining adequate free reserves. These free reserves are the General Fund which represents the working capital requirements of the Charity.

Designated funds comprise a Solidarity fund, a Chapter fund and an Entraide fund.

The Entraide Fund is for making grants to the "poor of the world". The Chapter Fund was effectively "emptied" this year with the grant towards the costs of the 2024 Chapter and a new allocation to it was made for 2024, in order to build the fund to help pay for the next Chapter in 2030. The Solidarity Fund has been designated to provide funds for running costs and grants and situations arising within the worldwide Congregation where financial resources may be needed, whether these situations are routine or emergency in nature.

Financial review (continued)

Reserves policy and financial position (continued)

The trustees review the funds from time to time to ensure funds are available to meet the Charity's objects without compromising ongoing budget commitments.

All designated funds are invested or held in cash at the balance sheet date. Free reserves at 31 December 2024 amount to £25,000 (2023: £25,000) which the trustees consider to be in line with the reserves policy.

Plans for future periods

The Charity will continue to support the Congregation and the Generalate in its work to fulfil the objectives set at the General Chapter in May 2024.

Principal risks and uncertainties

The trustees have assessed the major risks to which the Charity is exposed and they have put procedures in place to mitigate them as far as possible. The principal risk is volatility and/or radical change within global financial markets, which could result in investment values and income being insufficient to meet the requests of the Congregation's projects which the trustees would wish to support.

Risks are mitigated by using two investment managers, by investing in multi-asset unitised funds, by meeting the investment managers every year and by considering the Charity's investments twice a year at the General Finance Advisory Committee meetings.

Fundraising

The Charity does not solicit donations from the general public and therefore does not work with any commercial or professional fundraisers.

Structure, governance and management

Constitution

The Congregation of The Daughters of The Cross International Generalate was incorporated as a company limited by guarantee on 15 March 2011 (Registration Number 07565399) and registered as a charity on 20 June 2011 (Charity Registration Number 1142490). The charitable company is governed by its Articles of Association.

Structure, governance and management (continued)

Trustees

The trustees constitute directors of the company for the purposes of company law and trustees of the Charity for the purposes of charity legislation. The following trustees were in office as at 31 December 2024 and served throughout the year:

Trustee

Sister Pushpa Purathur (Superior General)

Sister Mary McLaughlin

Sister Maureen O'Brien

Sister Valerie Miranda

Peter Cousins

Key management personnel

The management of the Charity throughout the year, in charge of directing, controlling and running the Charity on a day-to-day basis comprised the General Council and the Bursar General of the Congregation, who the trustees consider were the key management personnel.

During 2024, the Sister trustees and the Bursar General were members of the Congregation and their expenses for attending trustee and GFAC meetings are borne by the Charity.

Related Parties

Worldwide Congregation

The Generalate and the Sisters are part of the worldwide Congregation of the Daughters of the Cross of Liege. Grants are made by the Charity to Provinces and to other Sisters of the Congregation around the world from time to time.

Statement of trustees' responsibilities

The trustees 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 to the United Kingdom and Republic of Ireland (FRS 102); the Statement of Recommended Practice (Accounting and Reporting by Charities) (the Charities' SORP);

Statement of trustees' responsibilities (continued)

- ◆ 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 proper 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees confirms that:

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

Approved by the trustees and signed on their behalf by:

Trustee:

Approved on

Pushya Bhatnagar
03.07.2025

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

Opinion

We have audited the financial statements of the Congregation of The Daughters of The Cross International for the year ended 31 December 2024 which comprise the statement of financial activities, the comparative statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the related notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland.

In our opinion the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 December 2024 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the 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 trustees are responsible for the other information. The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matter 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, 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, 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 charity and its environment obtained in the course of the audit, we have identified no material misstatements in the trustees' report. We have nothing to report in respect of the following matters where 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; or
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the trustees' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

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.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the Senior Statutory Auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations; and
- ◆ we obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), Companies Act 2006 and the Charities Act 2011).

Auditor's responsibilities for the audit of the financial statements (continued)

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management 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 unusual or unexpected relationships;
- ◆ carried out substantive testing of expenditure including the authorisation thereof;
- ◆ reviewed journal entries to identify unusual transactions and substantiated these where appropriate; and
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ review of the minutes of meetings of those charged with governance; and
- ◆ enquiring of management as to actual and potential litigation and claims.

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.



15 July 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 an income and expenditure account)
Year to 31 December 2024

	Notes	Unrestricted funds £	Restricted funds £	Endowment fund £	Total funds 2024 £
Income and expenditure					
Income from:					
Investments	1	313,414	11,434	136,330	461,178
Total income		313,414	11,434	136,330	461,178
Expenditure on charitable activities:					
Funding Generalate		361,251	—	163,109	524,360
Supporting other Congregation Works		122,165	10,943	—	133,108
Formation and training of members		18,310	—	—	18,310
External grants and donations		21,101	—	—	21,101
Total Grants and donations	2	522,827	10,943	163,109	696,879
Support costs	3	47,638	—	—	47,638
Total expenditure		570,465	10,943	163,109	744,517
Net (expenditure) before net investment gains		(257,051)	491	(26,779)	(283,339)
Net gains on the revaluation and disposal of listed investments	7	383,405	13,819	166,733	563,957
Net surplus	4	126,354	14,310	139,954	280,618
Reconciliation of funds					
Total funds brought forward at 1 January 2024		10,971,260	385,216	4,660,255	16,016,731
Total funds carried forward at 31 December 2024		11,097,614	399,526	4,800,209	16,297,349

All recognised gains and losses are included in the above statement of financial activities.

All of the Charity's activities derived from continuing operations during the above financial period.

Comparative statement of financial activities Year to 31 December 2023

	Notes	Unrestricted funds £	Restricted funds £	Endowment fund £	Total funds 2023 £
<i>Income and expenditure</i>					
<i>Income from:</i>					
Investments	1	147,376	5,153	62,030	214,559
Total income		147,376	5,153	62,030	214,559
<i>Expenditure on charitable activities:</i>					
Funding Generalate		110,364	—	153,636	264,000
Supporting other Congregation Works		54,445	8,597	—	63,042
Formation and training of members		22,004	—	—	22,004
External grants and donations		4,341	—	—	4,341
Total Grants and donations	2	191,154	8,597	153,636	353,387
Support costs	3	38,674	—	—	38,674
Total expenditure		229,828	8,597	153,636	392,061
<i>Net (expenditure) before net investment gains</i>		(82,452)	(3,444)	(91,606)	(177,502)
<i>Net gains on the revaluation and disposal of listed investments</i>	8	845,019	30,149	362,213	1,237,381
Net surplus	4	762,567	26,705	270,607	1,059,879
<i>Reconciliation of funds</i>					
<i>Total funds brought forward at 1 January 2023</i>		10,208,693	358,511	4,389,648	14,956,852
Total funds carried forward at 31 December 2023		10,971,260	385,216	4,660,255	16,016,731


All recognised gains and losses are included in the above statement of financial activities.

All of the Charity's activities derived from continuing operations during the above financial period.

Balance sheet 31 December 2024

	Notes	2024 £	2024 £	2023 £	2023 £
Fixed assets					
Investments	7		17,394,877		17,057,641
Current assets					
Debtors	8	149,233		84,733	
Cash at bank and in hand		235,638		441,190	
		<u>384,871</u>		<u>525,923</u>	
Creditors: amounts falling due within one year	9	<u>(195,228)</u>		<u>(214,240)</u>	
Net current assets			<u>189,643</u>		<u>311,683</u>
Total assets less current liabilities			<u>17,584,520</u>		<u>17,369,324</u>
Creditors: amounts falling due after more than one year	10		<u>(1,287,171)</u>		<u>(1,352,593)</u>
Total net assets			<u>16,297,349</u>		<u>16,016,731</u>
The funds of the Charity					
Restricted funds	11		399,526		385,216
Endowment fund	12		4,800,209		4,660,255
Unrestricted funds					
.. Designated funds	13				
.. Chapter fund		48,579		125,000	
.. Entraide fund		423,276		417,037	
.. Solidarity fund		9,600,759		10,404,223	
.. New Development Fund		<u>1,000,000</u>		<u>—</u>	
			<u>11,072,614</u>		<u>10,946,260</u>
.. General funds			<u>25,000</u>		<u>25,000</u>
			<u>16,297,349</u>		<u>16,016,731</u>

Approved by the trustees of the Congregation Of The Daughters Of The Cross International Generalate, Company Registration Number 07565399 (England and Wales), and signed on their behalf by:

Trustee: 
 Approved on: 03.07.2025

Statement of Cash flows 31 December 2024

	Notes	2024 £	2023 £
Cash (outflow) from operating activities:			
Net cash used by operating activities	A	(940,176)	(242,972)
Cash inflow from investing activities:			
Dividends and interest from investments		461,178	214,559
Net disposal of investments		273,446	345,000
Net cash used in investing activities		734,624	559,559
Change in cash and cash equivalents in the year		(205,552)	316,587
Cash and cash equivalents at 1 January 2024	B	441,190	127,310
Change in cash and cash equivalents due to exchange rate movements		—	(2,707)
Cash and cash equivalents at 31 December 2024		235,638	441,190

Notes to the statement of cash flows for the year to 31 December 2024.

A Reconciliation of net income to net cash provided by operating activities

	2024 £	2023 £
Net income (deficit) (as per the statement of financial activities)	280,618	1,059,879
Adjustments for:		
(Gains) on investments	(610,683)	(1,323,115)
Dividends and interest from investments	(461,178)	(214,559)
Foreign exchange loss (gain)	—	2,707
(Increase) in debtors	(64,500)	(40,603)
(Decrease) Increase in creditors	(84,433)	272,719
Net cash used by operating activities	(940,176)	(242,972)

B Analysis of cash and cash equivalents

	2024 £	2023 £
Cash at bank and in hand	198,400	441,190
Cash held by investment managers	37,238	—
Total cash and cash equivalents	235,638	441,190

No separate reconciliation of net debt has been prepared as there is no difference between the net cash (debt) of the Charity and the above cash and cash equivalent.

Principal Accounting Policies 31 December 2024

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are set out below.

Basis of preparation

These financial statements have been prepared for the year to 31 December 2024 with comparative information in respect to the year ended 31 December 2023.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the trustees and management to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include:

- ◆ the allocation of amounts held on behalf of parts of the worldwide Congregation of the Daughters of the Cross of Liege between short and long term creditors; and
- ◆ the assumptions adopted in determining the value of any designations required from the Charity's general unrestricted funds.

Assessment of going concern

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

The trustees of the Charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The trustees are of the opinion that the Charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above.

Assessment of going concern (continued)

With regard to the next accounting period, the year ending 31 December 2025, the most significant areas that affect the carrying value of the assets held by the Charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the trustees' report for more information).

Income

Income is recognised in the period in which the Charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises income from investments (2023: income from investments).

In accordance with the Charities SORP FRS 102 volunteer time is not recognised. For the purposes of these accounts, no value has been placed on administrative and other services provided by members of the Congregation.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and all expenses are allocated to the applicable expenditure headings. The majority of expenditure is directly attributable and any apportionment between headings is negligible. The classification between activities is as follows:

- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the Charity through the provision of its charitable activities. All expenditure is by way of grants and related support costs.

Governance costs comprise the costs involving the public accountability of the Charity (including audit costs) and costs in respect of its compliance with regulation and good practice.

All expenditure is stated inclusive of irrecoverable VAT.

Investments

Listed investments are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The Charity only holds units in quoted unitised funds.

Investments (continued)

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and in hand represents such accounts that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year are disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

Creditors and provisions

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

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the net movement in funds.

Fund structure

General funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the Charity's charitable objects.

Designated funds comprise monies set aside out of unrestricted general funds for specific future purposes or projects.

Restricted funds represent donations received for which the donor has prescribed how these donations may be used, and these monies are only used for those specified charitable purposes.

Endowment funds comprise monies which must be invested and held as capital. A proportion of the fund is credited to other funds of the Charity and applied for purposes set out under the terms of the endowment.

Notes to the financial statements 31 December 2024

1 Income from investments

	Un- restricted funds £	Restricted funds £	Endow- ment fund £	2024 Total £	Un- restricted funds £	Restricted funds £	Endow- ment fund £	2023 Total £
Income from listed investments								
. UK equities	308,418	11,434	136,330	456,182	144,600	5,153	62,030	211,783
Bank interest	4,996	—	—	4,996	2,776	—	—	2,776
Total funds	313,414	11,434	136,330	461,178	147,376	5,153	62,030	214,559

2 Grants and donations

	Unrestricted funds £	Restricted funds £	Endowment £	2024 Total £
Funding Generalate:				
. Solidarity Fund	361,251	—	—	361,251
. Endowment Fund	—	—	163,109	163,109
	361,251	—	163,109	524,360
Supporting other Congregation Works:				
. Solidarity Fund	28,745	—	—	28,745
. Patrimony	—	10,943	—	10,943
. Chapter Fund	93,420	—	—	93,420
	122,165	10,943	—	133,108
Formation and training of members:				
. Solidarity Fund	18,310	—	—	18,310
External grants and donations:				
. Entraide Fund	21,101	—	—	21,101
	21,101	—	—	21,101
Total donations	522,827	10,943	163,109	696,879

Notes to the financial statements 31 December 2024

2 Grants and donations (continued)

	Unrestricted funds £	Restricted funds £	Endowment £	2023 Total £
<i>Funding Generale:</i>				
. Solidarity Fund	110,364	—	—	110,364
. Endowment Fund	—	—	153,636	153,636
	<u>110,364</u>	<u>—</u>	<u>153,636</u>	<u>264,000</u>
<i>Supporting other Congregation Works:</i>				
. Solidarity Fund	52,728	—	—	52,728
. Patrimony	—	8,597	—	8,597
. Chapter Fund	1,717	—	—	1,717
	<u>54,445</u>	<u>8,597</u>	<u>—</u>	<u>63,042</u>
<i>Formation and training of members:</i>				
. Solidarity Fund	22,004	—	—	22,004
<i>External grants and donations:</i>				
. Entraide Fund	4,341	—	—	4,341
	<u>191,154</u>	<u>8,597</u>	<u>153,636</u>	<u>353,387</u>

3 Support Costs

	Unrestricted funds £	Restricted funds £	2024 Total £	Unrestricted funds £	Restricted funds £	2023 Total £
Administration	2,715	—	2,715	10,885	—	10,885
Governance costs	44,923	—	44,923	27,789	—	27,789
Total funds	<u>47,638</u>	<u>—</u>	<u>47,638</u>	<u>38,674</u>	<u>—</u>	<u>38,674</u>

Governance costs are made up as follows:

	2024 £	2023 £
Legal and professional fees	24,473	6,850
Auditor's remuneration	14,268	11,160
Trustee Insurance	1,121	1,120
Meeting costs	5,061	8,659
	<u>44,923</u>	<u>27,789</u>

4 Net surplus and net movement in funds

This is stated after charging:

	2024 £	2023 £
Auditor's remuneration		
Statutory audit services		
. Current year	10,800	9,000
. Prior years	3,468	2,160

Fees paid to the Charity's auditors for other services, which all relate to accounts preparation, are included in Support Costs and totalled £4,200 (2023: £ nil). The total amount payable to the auditors for Statutory audit services was £14,268 (2023: £11,160).

5 Key management personnel

The key management personnel of the Charity throughout the year in charge of directing, controlling, and running the Charity on a day to day basis comprise the Generalate Sisters and the Bursar General of the Congregation.

During 2024, the Sister trustees and Bursar General were all members of the Congregation and their living and personal expenses are borne by the Charity as part of the grant to the Generalate. No trustee received any remuneration in connection with their duties to the Charity (2023: £nil). One trustee was reimbursed £224 (2023: £360 to one trustee) for expenses in attending meetings.

6 Taxation

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

7 Investments

	2024 £	2023 £
Listed investments		
Market value at 1 January 2023	17,057,641	16,079,526
Net additions at cost	7,520,288	—
Disposal in year	(7,793,735)	(345,000)
Unrealised investment gains	610,683	1,323,115
Market value at 31 December 2023	17,394,877	17,057,641
Cost of listed investments at 31 December 2024	10,945,120	9,055,418

Of the investments held at 31 December 2024 of £17,394,877 (2023: £17,057,641) £1,303,447 (2023: £1,119,925) relates to funds held for two (2023: two) Provinces of the worldwide Congregation of the Daughters of the Cross of Liege.

Notes to the financial statements 31 December 2024

7 Investments (continued)

At 31 December 2024, the investments were held as follows:

	2024 £	2023 £
Listed investments		
COIF Charities Ethical Investment Fund	9,564,361	9,534,605
BlackRock Catholic Charities Growth & Income Fund	—	7,523,036
Cazenove Charity Sustainable Multi-Asset Fund	7,830,516	—
	17,394,877	17,057,641

Net investment gains dealt with in the SOFA are made up as follows:

	2024 £	2023 £
Net investment gains on listed investments – as above	610,683	1,323,115
Less: Other investment gains (see below)	(46,726)	(85,734)
Gains on investments assets per SOFA	563,957	1,237,381

During the year to 31 December 2023, the trustees carried out a review of its investment managers, with the help of the General Finance Advisory Committee. The result was to retain CCLA Fund Managers Limited and to appoint Cazenove Capital in place of BlackRock Fund Managers Limited. The transfer took place in April 2024, with the funds being sold for the value of £7,573,735.

Investments have been placed in unitised funds with two investment managers. These investment managers are CCLA Fund Managers Limited, with investment in COIF Charities Ethical Investment Fund, and Cazenove Capital, with investment in the Cazenove Charity Sustainable Multi-asset funds.

Other investment gains of £46,726 (2023: gains of £85,734) represent gains in respect of investments held on behalf of parts of the worldwide Congregation of the Daughters of the Cross of Liege, hence they are not attributable to the Charity's Statement of Financial Activities for the year, and the amounts included in creditors as held on behalf of those parts are adjusted accordingly.

8 Debtors

	2024 £	2023 £
Prepayments and accrued income	149,233	84,733
	149,233	84,733

9 Creditors: amounts falling due within one year

	2024 £	2023 £
Accruals and deferred income	20,485	39,602
Amounts held on behalf of parts of the Congregation of the Daughters of the Cross of Liege	174,743	174,638
	195,228	214,240

10 Creditors: amounts falling due after more than one year

	2024 £	2023 £
Amounts held on behalf of parts of the worldwide Congregation of the Daughters of the Cross of Liege	1,287,171	1,352,593

11 Restricted funds

The funds of the Charity include the following restricted funds which have been dealt with in accordance with restrictions applied by the donors of the funds:

	At 1 January 2024 £	Income £	Expenditure £	Gains on investments £	At 31 December 2024 £
Patrimony Fund	385,216	11,434	(10,943)	13,819	399,526

	At 1 January 2023 £	Income £	Expenditure £	Gains on investments £	At 31 December 2023 £
Patrimony Fund	358,511	5,153	(8,597)	30,149	385,216

The **Patrimony Fund** represents a patrimony donated to the Charity, with the restriction that any monies donated from that fund must be spent on the day-to-day welfare of the poor cared for by the worldwide Congregation of the Daughters of the Cross of Liege.

12 Endowment fund

The Endowment fund represents a £3m donation, received in 2014, the terms of which required the donation to be invested and held as an Endowment fund. A proportion of the fund, being up to 3.5% of the value of the fund at the beginning of the financial year, may be used to support the running of the Generalate and/or to expand and enhance the mission of the worldwide Congregation of the Daughters of the Cross of Liege.

Movement on the Endowment fund during the year ended 31 December 2024 was as follows:

	2024 £	2023 £
Balance brought forward at 1 January 2024	4,660,255	4,389,648
Add: Investment Income	136,330	62,030
Add: unrealised gains	166,733	362,213
Less: Withdrawals from the fund	(163,109)	(153,636)
Balance carried forward at 31 December 2024	4,800,209	4,660,255

13 Designated funds

The funds of the Charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	At 1 January 2024 £	Transfers and Net designations £	Grants £	At 31 December 2024 £
Chapter Fund	125,000	16,999	(93,420)	48,579
Entraide Fund	417,037	27,340	(21,101)	423,276
Solidarity Fund	10,404,223	(395,159)	(408,305)	9,600,759
Development Fund	—	1,000,000	—	1,000,000
	<u>10,946,260</u>	<u>649,180</u>	<u>(522,826)</u>	<u>11,072,614</u>

	At 1 January 2023 £	Net designations £	Grants £	At 31 December 2023 £
<i>Chapter Fund</i>	100,908	25,809	(1,717)	125,000
<i>Entraide Fund</i>	383,605	37,773	(4,341)	417,037
<i>Solidarity Fund</i>	9,699,180	1,043,775	(338,732)	10,404,223
	<u>10,183,693</u>	<u>1,107,357</u>	<u>(344,790)</u>	<u>10,946,260</u>

The **Chapter Fund** comprises amounts designated to contribute to the costs of the next General Chapter of the worldwide Congregation of the Daughter of the Cross of Liege, which is due to take place in May 2030 and for which the trustees expect to grant funds.

The **Entraide Fund** comprises monies designated for help for the poor around the world. This money was donated by Entraide Internationale ASBL, a charity based in Belgium, the aim of which was to help the poor and the trustees have designated this fund to carry on the work of that charity. The funds are invested and up to 3.5% of the value of the fund at the beginning of the year is set aside and is regularly, usually annually, donated to appropriate causes.

The **Solidarity Fund** has been designated to provide funds for situations arising within the worldwide Congregation where financial resources may be needed. These situations may be routine or emergency in nature, issues causing concern currently, or situations where there are concerns for the future and where the Charity may be called on to consider providing assistance. In 2024, £1,000,000 was transferred into the Development Fund.

The **Development Fund** has been created this year to reflect and fund the specific objectives for the Congregation over the next six years agreed at the 2024 Chapter. This will include the investigation and possible expansion of the Congregation to other countries [which may include another country in Africa and/or a country in Eastern Europe], the training of Congregational Leaders, more online and face-to-face meetings across the Congregation, the establishment of a worldwide Congregational website, funding for Sisters to stay in Rome to enhance their studies, the financing of additional accommodation in Rome to enable Congregational Meetings and Chapters to take place in Rome at reduced cost, and the funding of sustainability initiatives within the Generalate.

14 Analysis of net assets between funds

	Unrestricted funds		Restricted funds £	Endowment funds £	Total 2024 £
	General fund £	Designated funds £			
Fund balances at 31 December 2024 are represented by:					
Investments	1,122,528	11,072,614	399,526	4,800,209	17,394,877
Current assets	384,871	—	—	—	384,871
Creditors: amounts falling due within one year	(195,228)	—	—	—	(195,228)
Creditors: amounts falling due after more than one year	(1,287,171)	—	—	—	1,287,171
Total net assets	25,000	11,072,614	399,526	4,800,209	16,297,349

	Unrestricted funds		Restricted funds £	Endowment funds £	Total 2023 £
	General fund £	Designated funds £			
<i>Fund balances at 31 December 2023 are represented by:</i>					
Investments	1,056,227	10,955,943	385,216	4,660,255	17,057,641
Current assets	525,923	—	—	—	525,923
Creditors: amounts falling due within one year	(204,557)	(9,683)	—	—	(214,240)
Creditors: amounts falling due after more than one year	(1,352,593)	—	—	—	(1,352,593)
Total net assets	25,000	10,946,260	385,216	4,660,255	16,016,731

The total unrealised gains as at 31 December 2024 constitutes movements on revaluation of listed investments and are as follows:

	2024 £	2023 £
Total unrealised gains included above:		
On listed investments	6,449,747	8,002,223
Reconciliation of movements in unrealised gains		
Unrealised gains at 1 January 2024	8,002,223	6,774,484
Unrealised gains arising in year	610,683	1,323,115
Net realised (gains) on disposal	(2,163,149)	(95,376)
Total unrealised gains at 31 December 2024	6,449,747	8,002,223

15 Related party transactions

Worldwide Congregation

The majority of trustees are members of the worldwide Congregation of the Daughters of the Cross of Liege. Grants may be made to any part of the Congregation from time to time.

16 Post Balance Sheet Event

Since the year end the Charity has received another £5m from The Congregation of the Daughters of the Cross of Liege (the English Province of the Congregation and a related party) as an endowment. Under the terms the donation will be invested and, similar to the initial endowment, up to 3.5% of the value of the fund may be used to support the running of the Generalate and/or to enhance the mission of the worldwide Congregation.

CONGREGATION OF THE DAUGHTERS OF THE CROSS INTERNATIONAL

England & Wales - Charity number 1142490

Accounts

**Congregation Of The
Daughters Of The Cross
International**

**Annual Report and Financial
Statements**

31 December 2023

Company Limited by Guarantee
Registration Number 07565399 (England and Wales)

Charity Registration Number 1142490

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Reference and administrative information

Trustees	Sister Pushpa Purathur (Superior General) Sister Mary McLaughlin Sister Maureen O'Brien Sister Valerie Miranda Peter Cousins FCA
Bursar General of the Congregation	Sister Josephine Rozario
Registered office	C/O Buzzacott LLP 130 Wood Street London EC2V 6DL
Company registration number	07565399 (England and Wales)
Charity registration number	1142490
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	NatWest Bank plc 38 Strand London WC2H 5JB
Solicitors	Stone King LLP Broad Quay House Bristol BS1 4DJ

Trustees' report 31 December 2023

The trustees present their statutory report (which also constitutes a directors' report for the purposes of company law) together with the financial statements of the Congregation Of The Daughters Of The Cross International (the "Charity") for the year ended 31 December 2023.

The financial statements have been prepared in accordance with the accounting policies set out on pages 22 to 24 of the attached financial statements and comply with the Charity's Memorandum and Articles of Association, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Charitable objectives and activities

The Congregation of the Daughters of the Cross of Liege ("the Congregation"), is a Roman Catholic Religious Congregation founded in 1833 in Liege, Belgium. The Congregation's principal objectives set out in its Constitution are to advance religion and other charitable work, in particular the relief of poverty and the support of those on the margins of society.

Within the Congregation worldwide there are seven Provinces, two Regions and two Communities (Germany and Rome) under the Generalate, which is the central government of the organisation based in Rome, Italy. The Generalate comprises the Superior General and her Council, and the Superior General and three members of the Council are trustees of the Charity. As at 31 December 2023 there were 668 Sisters (2022: 682) within the Congregation living and working around the world. The Superior General is responsible to the Holy See in Rome, Italy.

The Charity was originally established to be the legal entity which embraced all the activities of a Central Government for a world-wide Congregation and when the Generalate moved to Rome, Italy, the Charity became a grant-making charity. Its objects remain unchanged - to advance religion for the benefit of the public, in particular but not limited to, by supporting the charitable works carried out or supported around the world by members of the Congregation and by the formation and training of the members of the Congregation.

The Charity makes grants in the following ways:

- ◆ By financing the Generalate and its support Community in Rome.
- ◆ By funding the work, and the projects which enhance it, of the Sisters and their activities in providing for their beneficiaries.
- ◆ By relieving poverty, distress and suffering among the world's deprived and needy people by way of grant funding, either through the Sisters' work or directly.

In order to describe the benefits that the grants generate, it is necessary to describe the work of the Generalate and the Sisters and this is done below.

Charitable objectives and activities (continued)

The Congregation is deeply rooted in the Paschal mystery of the Passion, Death and Resurrection of Jesus Christ and built on its tradition of care, support and compassion for those who are weakest and most vulnerable in our world, the Congregation continues to work in countries where people are living in poverty and on the margins of society. The founder of the Congregation, Blessed Marie Therese and co-founder, Canon Habets, established social care, nursing and education as priorities in the Congregation but "excluded no work of mercy" and the Sisters and their co-workers continue to be committed to the work of general and special education, the care of the sick, social and pastoral work, the relief of poverty and suffering, and the empowerment of women and girls, especially in countries where they experience oppression.

The Generalate, and the Sisters in leadership positions, continue to explore ways of fulfilling their objects in the face of the continuing challenges of their increasing age profile and the decline in the number of Sisters, especially in the Western Provinces.

The principal activities of the Generalate cover the following:

- ◆ support of the work of the Sisters themselves;
- ◆ support of the worldwide Congregation; and
- ◆ support of co-workers, volunteers and associates of the Congregation.

In authorising grants, the trustees follow the guidance of the Charity Commission on the provision of public benefit and they consider how they will contribute to meeting the Charity's objects. In considering potential grants, the trustees are aware that the Congregation focuses on services which deliver the greatest impact to the most vulnerable children and adults in the countries where they are established, whether by way of direct expenditure or by grants and donations.

In mission areas (these are generally in developing countries or in remote areas of established countries) the Sisters set up training programmes which enable the people they are involved with to become as self-sufficient as possible. The Sisters strive always to offer assistance by investing in projects that give people the support and skills they need to turn their life around. In India and Pakistan, the Sisters have also set up centres of excellence in the field of education, medical and nurse training facilities, as well as care centres offering social-work support and a caring supportive environment for the disadvantaged and marginalized in society.

The Congregation upholds the common commitment to safeguarding as an integral part of the life and ministry of all its members and this is reflected in its commitment to the safeguarding of children, young people and adults who may be at risk. The Congregation's policies and procedures are reviewed and updated as necessary. In all the countries where the Congregation is established the Sisters, their staff, and volunteers adhere to the guidelines of the Catholic Church and to the national guidelines in those countries.

Charitable objectives and activities (continued)

In the different Provinces, Regions and Communities under the Generalate of the Congregation, those in leadership positions aim to ensure that all policies and procedures are in place to enable the safe management of its operations and the safety of all to whom the Congregation is offering a service.

As well as supporting the current works, the Generalate also has a responsibility to ensure that Sisters have the necessary care as they age and retire from mainstream activity. These Sisters have contributed to the activities of the Congregation for most of their adult lives but, as they take a vow of poverty, they have no money of their own, and the Generalate has a responsibility to ensure that they are provided for within their own Communities. Although not working in the mainstream, these Sisters have a vast experience of the work, and they continue to help, advise and support the younger Sisters in their activities as far as each one is able.

The Congregation's longer-term objectives are set at each General Chapter which takes place every six years. One of the Charity's objectives is to continue to support the Congregation, and to support the Generalate in its work to fulfil the objectives set at the General Chapter in May 2018. The next General Chapter will take place in May 2024.

Generalate Visits and Meetings

The Generalate team support the worldwide Congregation by: canonical visitations; monitoring projects and activities throughout the year; organising National and International meetings, conferences and workshops which bring many of the Congregation's members together several times a year; facilitating and promoting communication and dialogue at all levels throughout the Congregation. Spiritual input plays an important part in these meetings. Sisters and their co-workers keep up to date in their professional practice ensuring that a culture of "best practice" is maintained in all of their establishments. This is verified by the excellent reports received from social services, health and educational authorities.

During their six-year term of office, the Superior General and her Council carry out a programme of pastoral and canonical visitations of the Provinces and Regions. These visits give them the opportunity to assess and monitor the work of the Congregation in that particular region, which is subsequently reported to the trustees. In developing countries, there is sometimes the need to expand the work or establish new missions or, occasionally, to hand over to a local charity which has the necessary skills to carry on the work without the support of the Sisters.

In the developing countries where the Congregation is attracting new vocations, the visits of the Superior General can be an important event and a time to celebrate the achievements of the new Communities and the initiation of new members into the Congregation.

Trustees' report 31 December 2023

Charitable objectives and activities (continued)

Training

Trustees keep up to date in various ways – by seeking advice from their advisors, by attending courses and events, and by meeting other professionals in the areas of Safeguarding, Health and Safety and related matters. The Sister trustees also consult others in similar situations to ensure that they keep up to date with current issues.

New trustees are given the opportunity to attend workshops and training to ensure that they have the relevant skills and knowledge to fulfil their role as trustees of the Charity.

The Generalate and the Sisters in leadership positions in the Provinces keep updated on the changing regulations and legislation within their countries, by attending workshops and courses, especially on Safeguarding and Health and Safety. They also set up relevant Policies and Procedures as required by civil authorities in that country.

Trustees' meetings

The trustees meet twice a year in England in the Spring and Autumn and have one online meeting in-between.

General Finance Advisory Committee

The General Finance Advisory Committee is an advisory committee set up by the Generalate to support and advise the Charity and the Generalate on its financial and related affairs. It meets twice a year in Spring and Autumn to coincide with the trustee meetings. Its members are the trustees, a Generalate Sister and other lay members drawn from mainly, financial, investment and legal backgrounds.

Achievements and performance

Grants made

The Charity made grants totalling £353,387 during the year (2022: £1,290,009), the majority of which were spent supporting the Daughters of the Cross around the world.

Of this total, the Generalate received total grants amounting to £264,000 (2022: £213,000) which helped to meet the running costs of the Generalate in Rome. A grant of £1,717 (2022: £5,611) was made for initial costs of the 2024 Chapter from the Chapter Fund.

The Region of Cameroun, Africa, received a grant of £51,677 in respect of building a Convent and School (2022: £121,251 to buy land on which to build the Convent and School).

Achievements and performance (continued)

Grants made (continued)

There were small grants totalling £35,993 (2022: £950,147) which comprised: grants from the Entraide Fund of £4,341 (2022: £11,394) and Patrimony Fund of £8,597 (2022: £8,756), for the poor of the world and the poor looked after by the Congregation respectively; a grant for Formation costs of £22,004 (2022: 23,560) (see note below); and a grant to the German Sisters of £1,051 (2022: £882,627) in respect of their relocation costs.

Formation and training

One of the Charity's objects is to support the formation and training of the members of the Congregation. Grants of £22,004 (2022: £23,560) were made to the Rourkela Province and the Cameroun Region to meet their costs. Other Provinces, Regions and Houses do have costs of formation and training but where they have the funds to meet them, there is no need for the Charity to make grants.

Ongoing religious formation for all the Sisters, regardless of age, is important in what has become a mainly secular society. Formation and training of young Sisters for full membership of the Congregation and for professional qualifications remains a high priority. Natural aptitude and ability, as well as the needs of the Mission of the Congregation, are taken into consideration when preparing the young Sisters for their future roles in the Congregation.

Spirituality courses are also essential for the development of Sisters in their religious commitment and to enable them to respond to the challenges in living out their own commitment and in forming others in the Charism of the Congregation.

Professional training and qualification in all the areas that the Sisters are engaged in (predominately health and education), has become even more important as they work alongside highly qualified and competent lay colleagues.

Training for leadership amongst the younger Sisters remains a priority in the Congregation and each year courses are identified which will enable them to gain qualifications and they are given relevant experience to take up senior positions within the Congregation.

Trustees' report 31 December 2023

Achievements and performance (continued)

The Generalate

The Generalate grant of £264,000 (2022: £213,000) helped to meet the running costs of the Generalate in Rome, which carries out the duties of the Central Government. The Generalate's costs include travel costs and during the year the Generalate Sisters have visited Provinces in Pakistan, Bombay, Calcutta, Rourkela, Belgium Francophone, Belgium Neerlandophone, England, Brazil and the Houses in Cameroun and Germany.

The Sisters in the Leadership role in the Generalate form the majority of the trustee membership and hold overall responsibility for the life and mission of the Congregation. Their role is to guide, inspire and animate the Sisters and in accordance with their constitutions to encourage a spirituality that is living faithful and creative.

The Congregation

Set out below are brief reports into the types of activities carried out across the worldwide Congregation.

The Sisters in the provinces of Bombay, Calcutta and Rourkela continue working in the fields of education, medical, social and pastoral. 2023 has been a very significant year with Provincial Chapters, that precede the General Chapter. This called for every Province reviewing the previous six years and looking into the future, always with the charism in view.

New initiatives have been taken in the different fields in keeping with current needs, exposure programmes arranged to keep abreast with change and development and online facilities availed of as never before. Upgrading of existing institutions, and collaboration with other organizations are also gaining ground. The Inauguration of the Karuna Holistic Hospital and Institute of Medical Sciences was a milestone, situated as it is in one of the poorest districts of the state of West Bengal. Similarly, the School of Nursing was upgraded to a Nursing College with national recognition. The construction of an expansion wing of a third hospital is underway.

While Calcutta is forging ahead in the medical field, Bombay is focussing more on social work. Rourkela is expanding in education opportunities to the deprived sections of society. Ecology and the care of the environment is the focus of all Provinces and resources are used to the maximum. Vocations are on the decline, but formation is given due attention. Finance is attended to diligently in keeping with the Government requirements and the Provinces are well administered

In Pakistan Province, the main Apostolate has always been education and the Sisters run a number of schools and also work, usually in senior positions, in parish schools. The education of street children remains an important project for the Sisters in Pakistan. Some Sisters are involved in missionary activities, working in some of the poorest areas of the Punjab Province mainly with women and girls. In some areas the Sisters are involved in the provision of health care and social work support for the people who walk many miles for basic medicines and medical treatment at their health care centres.

Achievements and performance (continued)

The Congregation (continued)

The mission of the Sisters in Cameroun is very active and there are many vocations. The Sisters remain in dangerous areas of Cameroun due to militant groups and political instability. Poverty in Cameroun is extreme, and the Cameroun mission is committed to projects that empower people to improve their situations in life. The Sisters run a bilingual college which is well respected. There are several local young women undertaking formation training in religious life and professional training in health care and teaching.

The Western Provinces of Belgium, Germany and England have been experiencing diminishing numbers of vocations for many years, as have the majority of European Religious Congregations. The Sisters in these Provinces have transferred many of their works to lay management, and the Sisters who are able, serve on new trust boards and advisory bodies. They all continue to work on rationalising their finances and property to ensure that the organisations and Sisters are set up well for the future, and work continues on dealing with the transfer of the remaining Works. A small number of Sisters are still actively involved in parish ministry.

The German Sisters have always been great missionaries and over the years they have helped establish new foundations in Europe, England, Brazil, India and Pakistan. In 2022 they decided that they could no longer sustain their large property near Rees, and arrangements were made to relocate. In May 2023 the move to the Aachen region of Germany was completed. Many of the remaining Sisters are in need of both care and nursing facilities.

The Generalate, having moved to Rome in 2021, have continued with their planned building work and the refurbishment of their property in Rome is now almost complete. It now houses the Generalate Sisters, a small Community of Sisters, archives, meeting and conference rooms, and the building will accommodate the Chapter meeting in May 2024.

The small community of Sisters in Brazil continue to have an active involvement in a number of works including general and special needs education, craft and other creative work with young people with special needs, prison visiting, and nursing and social work amongst those living in slum conditions.

Financial review

Results for the year

A summary of the year's results is given on page 18 of the financial statements.

Total income for the year was £214,559 (2022: £121,648) which was mainly investment income and total expenditure was £392,061 (2022: £1,321,680). Grants and donations, which are explained under Achievements and Performance, amount to £353,387 (2022 £1,290,009) and the balance was Support costs which totalled £38,674 compared with £31,671 last year.

Financial review (continued)

Results for the year (continued)

The net expenditure for the year before investment gains (2022: losses) was therefore £177,502 (2022: net expenditure of £1,200,032). It is the nature of the funding required by the Generalate for the support of the worldwide Congregation, that significant expenditure is required from time to time and particularly in 2022 there was a need for considerable support for the Sisters in Germany.

Investment policy and performance

Investments are with two investment managers and placed in ethical multi-asset unitised funds which have investment policies which are similar to the principles of Catholic social teaching. These investment managers are CCLA Fund Managers Limited, with investment in COIF Charities Ethical Investment Fund, and BlackRock Fund Managers Limited, with investment in BlackRock Catholic Charities Growth & Income Fund.

During the year, the trustees carried out a review of its investment managers, with the help of the General Finance Advisory Committee. An extensive project was undertaken, resulting in the retention of CCLA Fund Managers Limited and the appointment of Cazenove Capital in place of BlackRock Fund Managers Limited. As at the balance sheet date the transfer of investments to Cazenove Capital had not taken place but this happened in the second quarter of 2024.

The Charity's investment objectives are to achieve capital growth in the longer term, say five to ten years, whilst preserving the capital value in real terms and to generate a growing income over time. Income and gains are withdrawn to fund the grants and support costs.

The investment managers' results and performance are reviewed twice a year at the Charity's General Finance Advisory Committee meetings and representatives of the investment managers are invited to attend one or other of these meetings.

After a major correction in Stock Markets in 2022, investment values have risen in 2023 resulting in investment gains of £1,237,381 (2022: losses of £1,831,211). The market value of investments at 31 December 2023 was £17,057,641 (2022: £16,079,526), reflecting the gains and amounts withdrawn to pay grants. Of this amount, £1,119,925 (2022: £984,166) relates to funds held for two (2022: two) Provinces in the worldwide Congregation, which is paid over to them as they require it. Details of the movements are given in note 9 to these financial statements. The way in which income on investments and investment gains and losses are presented was changed in 2022 to show them in a way which better reflected the underlying transactions.

Since the year-end, global markets have remained strong.

Financial review (continued)

Reserves policy and financial position

The Charity has an Endowment Fund and one Restricted Fund, the Patrimony Fund. The trustee's policy beyond these two funds is to designate amounts for specific purposes where there is an obvious or potential need, whilst maintaining adequate free reserves. These free reserves are the General Fund which represents the working capital requirements of the Charity.

Designated funds comprise a Solidarity fund, a Chapter fund and an Entraide fund.

The Entraide Fund is for making grants to the "poor of the world". The Chapter Fund represents sums set aside for the Congregation's General Chapter, which is a world-wide meeting held every six years, with the next one taking place in Rome in May 2024. The Solidarity Fund has been designated to provide funds for running costs and grants and situations arising within the worldwide Congregation where financial resources may be needed, whether these situations are routine or emergency in nature.

The trustees review the funds from time to time to ensure funds are available to meet the Charity's objects without compromising ongoing budget commitments.

All designated funds are invested or held in cash at the balance sheet date. Free reserves at 31 December 2023 amount to £25,000 (2022: £25,000) which the trustees consider to be in line with the reserves policy.

Plans for future periods

The General Chapter of the Congregation will take place in May 2024, which has involved considerable planning time from the Generalate. The Charity will donate the Chapter Fund of approximately £125,000 to the Generalate in the first half of 2024, to help fund the costs of the Chapter. The Charity will continue to support the Congregation and support the Generalate to help meet the new objectives which will be set at the May 2024 Chapter.

Principal risks and uncertainties

The trustees have assessed the major risks to which the Charity is exposed and they have put procedures in place to mitigate them as far as possible. The principal risk is volatility and/or radical change within global financial markets, which could result in investment values and income being insufficient to meet the requests of the Congregation's projects which the trustees would wish to support.

Risks are mitigated by using two investment managers, by investing in multi-asset unitised funds, by meeting the investment managers every year and by considering the Charity's investments twice a year at the General Finance Advisory Committee meetings.

Fundraising

The Charity does not solicit donations from the general public and therefore does not work with any commercial or professional fundraisers.

Trustees' report 31 December 2023

Structure, governance and management

Constitution

The Congregation of The Daughters of The Cross International Generalate was incorporated as a company limited by guarantee on 15 March 2011 (Registration Number 07565399) and registered as a charity on 20 June 2011 (Charity Registration Number 1142490). The charitable company is governed by its Articles of Association.

Trustees

The trustees constitute directors of the company for the purposes of company law and trustees of the Charity for the purposes of charity legislation. The following trustees were in office as at 31 December 2023 and served throughout the year:

Trustee

Sister Pushpa Purathur (Superior General)

Sister Mary McLaughlin

Sister Maureen O'Brien

Sister Valerie Miranda

Peter Cousins

Key management personnel

The management of the Charity throughout the year, in charge of directing, controlling and running the Charity on a day-to-day basis comprised the Generalate Sisters and the Bursar General of the Congregation, who the trustees consider were the key management personnel.

During 2023, the Sister trustees and the Bursar General were members of the Congregation and their expenses for attending trustee and GFAC meetings are borne by the Charity.

Related Parties

Worldwide Congregation

The Generalate and the Sisters are part of the worldwide Congregation of the Daughters of the Cross of Liege. Grants are made by the Charity to Provinces and to other Sisters of the Congregation around the world from time to time.

Statement of trustees' responsibilities

The trustees 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;

Trustees' report 31 December 2023

Statement of trustees' responsibilities (continued)

- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102); the Statement of Recommended Practice (Accounting and Reporting by Charities) (the Charities' SORP);
- ◆ 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 proper 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees confirms that:

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

Approved by the trustees and signed on their behalf by:



Sister Pushpa Purathur

Trustee:

Approved on: 15.05.2024

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

Opinion

We have audited the financial statements of the Congregation of The Daughters of The Cross International for the year ended 31 December 2023 which comprise the statement of financial activities, the comparative statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the related notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland.

In our opinion the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 December 2023 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the 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.

Independent auditor's report 31 December 2023

Other information

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

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

We have nothing to report in this regard.

Opinion on other matter 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, 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, 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 charity and its environment obtained in the course of the audit, we have identified no material misstatements in the trustees' report. We have nothing to report in respect of the following matters where 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; or
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the trustees' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

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.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the Senior Statutory Auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations; and
- ◆ we obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), Companies Act 2006 and the Charities Act 2011).

Independent auditor's report 31 December 2023

Auditor's responsibilities for the audit of the financial statements (continued)

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management 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 unusual or unexpected relationships;
- ◆ carried out substantive testing of expenditure including the authorisation thereof;
- ◆ reviewed journal entries to identify unusual transactions and substantiated these where appropriate; and
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ review of the minutes of meetings of those charged with governance; and
- ◆ enquiring of management as to actual and potential litigation and claims.

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.

Independent auditor's report 31 December 2023

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.



21 May 2024

Edward Finch, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

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

	Notes	Unrestricted funds £	Restricted funds £	Endowment fund £	Total funds 2023 £
Income and expenditure					
Income from:					
Investments	1	147,376	5,153	62,030	214,559
Total Income		147,376	5,153	62,030	214,559
Expenditure on charitable activities:					
Funding Generalate		110,364	—	153,636	264,000
Supporting other Congregation Works		54,445	8,597	—	63,042
Formation and training of members		22,004	—	—	22,004
External grants and donations		4,341	—	—	4,341
Total Grants and donations	3	191,154	8,597	153,636	353,387
Support costs	4	38,674	—	—	38,674
Total expenditure		229,828	8,597	153,636	392,061
Net (expenditure) before net investment gains		(82,452)	(3,444)	(91,606)	(177,502)
Net gains on the revaluation and disposal of listed investments	8	845,019	30,148	362,213	1,237,381
Net surplus	5	608,931	26,705	424,243	1,059,879
Reconciliation of funds					
Total funds brought forward at 1 January 2023		10,208,693	358,511	4,389,648	14,956,852
Total funds carried forward at 31 December 2023		10,971,260	385,216	4,860,255	16,016,731

All recognised gains and losses are included in the above statement of financial activities.

All of the Charity's activities derived from continuing operations during the above financial period.

Comparative statement of financial activities Year to 31 December 2022

	Notes	Unrestricted funds £	Restricted funds £	Endowment fund £	Total funds: 2022 £
Income and expenditure					
<i>Income from:</i>					
Investments	1	109,500	2,607	—	112,007
Other	2	9,641	—	—	9,641
Total income		119,141	2,607	—	121,648
<i>Expenditure on charitable activities:</i>					
Grants and Donations	3	1,257,443	32,566	—	1,290,009
Support costs	4	31,671	—	—	31,671
Total expenditure		1,289,114	32,566	—	1,321,680
Net (expenditure) before net investment losses		(1,169,973)	(30,059)	—	(1,200,032)
Net losses on the revaluation and disposal of listed investments	8	(1,186,909)	(41,403)	(602,899)	(1,831,211)
Net deficit and net movement in funds	5	(2,356,882)	(71,462)	(602,899)	(3,031,243)
<i>Reconciliation of funds</i>					
Total funds brought forward at 1 January 2022		12,665,675	429,973	4,992,547	17,988,095
Total funds carried forward at 31 December 2022		10,208,693	358,511	4,389,648	14,956,852

All recognised gains and losses are included in the above statement of financial activities:

All of the Charity's activities derived from continuing operations during the above financial period.

Balance sheet 31 December 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Investments	8		17,057,641		16,079,526
Current assets					
Debtors	9	84,733		44,130	
Cash at bank and in hand		441,190		127,310	
		<u>525,923</u>		<u>171,440</u>	
Creditors: amounts falling due within one year	10	<u>(214,240)</u>		<u>(107,828)</u>	
Net current assets			<u>311,683</u>		<u>63,612</u>
Total assets less current liabilities			<u>17,369,324</u>		<u>16,143,138</u>
Creditors: amounts falling due after more than one year	11		<u>(1,352,593)</u>		<u>(1,186,286)</u>
Total net assets			<u>16,016,731</u>		<u>14,956,852</u>
The funds of the Charity					
Restricted funds	12		385,216		358,511
Endowment fund	13		4,660,255		4,389,648
Unrestricted funds					
.. Designated funds	14				
.. Chapter fund		125,000		100,908	
.. Entraide fund		417,037		383,605	
.. Solidarity fund		10,404,223		9,699,180	
			<u>10,946,260</u>		<u>10,183,693</u>
.. General funds			25,000		25,000
			<u>16,016,731</u>		<u>14,956,852</u>

Approved by the trustees of the Congregation Of The Daughters Of The Cross International Generalate, Company Registration Number 07565399 (England and Wales), and signed on their behalf by:



Sister Pushpa Purathur

Trustee:

Approved on: 15-05-2024

Statement of Cash flows 31 December 2023

	Notes	2023 £	2022 £
Cash (outflow) from operating activities:			
Net cash used by operating activities	A	(242,972)	(1,617,562)
Cash inflow from investing activities:			
Dividends and interest from investments		214,559	112,007
Net disposal (purchase) of investments		345,000	741,020
Net cash used in investing activities		559,559	853,027
Change in cash and cash equivalents in the year		316,587	(764,535)
Cash and cash equivalents at 1 January 2023	B	127,310	891,183
Change in cash and cash equivalents due to exchange rate movements		(2,707)	662
Cash and cash equivalents at 31 December 2023		441,190	127,310

Notes to the statement of cash flows for the year to 31 December 2023.

A Reconciliation of net income to net cash provided by operating activities

	2023 £	2022 £
Net income (deficit) (as per the statement of financial activities)	1,059,879	(3,031,243)
Adjustments for:		
(Gains) Losses on investments	(1,323,115)	1,944,505
Dividends and interest from investments	(214,559)	(112,007)
Foreign exchange loss (gain)	2,707	(662)
(Increase) in debtors	(40,603)	(13,515)
Increase (Decrease) in creditors	272,719	(404,640)
Net cash used by operating activities	(242,972)	(1,617,562)

B Analysis of cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	441,190	127,310
Total cash and cash equivalents	441,190	127,310

No separate reconciliation of net debt has been prepared as there is no difference between the net cash (debt) of the Charity and the above cash and cash equivalent

Principal Accounting Policies 31 December 2023

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are set out below.

Basis of preparation

These financial statements have been prepared for the year to 31 December 2023 with comparative information in respect to the year ended 31 December 2022.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The presentation of expenditure within the accounts has been amended this year to better reflect the ongoing activities of the charity. Comparative amounts have been represented for consistency, however these amendments have no impact on the total amounts of expenditure recognised.

The Charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the trustees and management to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include:

- ◆ the allocation of amounts held on behalf of parts of the worldwide Congregation of the Daughters of the Cross of Liege between short and long term creditors; and
- ◆ the assumptions adopted in determining the value of any designations required from the Charity's general unrestricted funds.

Assessment of going concern

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

Principal Accounting Policies 31 December 2023

Assessment of going concern (continued)

The trustees of the Charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The trustees are of the opinion that the Charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above.

With regard to the next accounting period, the year ending 31 December 2024, the most significant areas that affect the carrying value of the assets held by the Charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the trustees' report for more information).

Income

Income is recognised in the period in which the Charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises income from investments (2022: income from investments and other income).

In accordance with the Charities SORP FRS 102 volunteer time is not recognised. For the purposes of these accounts, no value has been placed on administrative and other services provided by members of the Congregation.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and all expenses are allocated to the applicable expenditure headings. The majority of expenditure is directly attributable and any apportionment between headings is negligible. The classification between activities is as follows:

- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the Charity through the provision of its charitable activities. All expenditure is by way of grants and related support costs.

Governance costs comprise the costs involving the public accountability of the Charity (including audit costs) and costs in respect of its compliance with regulation and good practice.

All expenditure is stated inclusive of irrecoverable VAT.

Investments

Listed investments are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

Principal Accounting Policies 31 December 2023

Investments (continued)

The Charity only holds units in quoted unitised funds.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and in hand represents such accounts that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year are disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

Creditors and provisions

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

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the net movement in funds.

Fund structure

General funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the Charity's charitable objects.

Designated funds comprise monies set aside out of unrestricted general funds for specific future purposes or projects.

Restricted funds represent donations received for which the donor has prescribed how these donations may be used, and these monies are only used for those specified charitable purposes.

Endowment funds comprise monies which must be invested and held as capital. A proportion of the fund is credited to other funds of the Charity and applied for purposes set out under the terms of the endowment.

Notes to the financial statements 31 December 2023

1 Income from investments

	Unrestricted funds £	Restricted funds £	Endowment fund £	2023 Total £	Unrestricted funds £	Restricted funds £	2022 Total £
Income from listed investments							
· UK equities	144,600	5,183	62,030	211,783	108,556	2,507	111,063
Bank interest	2,776	—	—	2,776	944	—	944
Total funds	147,376	5,183	62,030	214,559	109,500	2,507	112,007

2 Other income

	Unrestricted funds £	Restricted funds £	2023 Total £	Unrestricted funds £	Restricted funds £	2022 Total £
Investment manager fees refunded	—	—	—	8,979	—	8,979
Foreign exchange gains	—	—	—	662	—	662
Total funds	—	—	—	9,641	—	9,641

3 Grants and donations

	Unrestricted funds £	Restricted funds £	Endowment £	2023 Total £
Funding Generale:				
· Solidarity Fund	110,364	—	—	110,364
· Endowment Fund	—	—	153,636	153,636
	110,364	—	153,636	264,000
Supporting other Congregation Works:				
· Solidarity Fund	52,728	—	—	52,728
· Patrimony	—	8,597	—	8,597
· Chapter Fund	1,717	—	—	1,717
	54,445	8,597	—	63,042
Formation and training of members:				
· Solidarity Fund	22,004	—	—	22,004
External grants and donations:				
· Entraide Fund	4,341	—	—	4,341
Total donations	191,154	8,597	153,636	353,387

Notes to the financial statements 31 December 2023

3 Grants and donations (continued)

	Unrestricted funds £	Restricted funds £	2022 Total £
Patrimony fund donations	—	8,756	8,756
Archive fund donation	—	23,810	23,810
Entraide fund donations	11,394	—	11,394
Chapter fund donations	5,611	—	5,611
Solidarity fund donations:			
. To German Province	882,627	—	882,627
. To Cameroun Province	121,251	—	121,251
. To Generalate	213,000	—	213,000
Formation costs for Rourkela and Cameroun	23,560	—	23,560
Total donations	1,257,443	32,566	1,290,009

4 Support Costs

	Unrestricted funds £	Restricted funds £	2023 Total £	Unrestricted funds £	Restricted funds £	2022 Total £
Administration	10,885	—	10,885	14,952	—	14,952
Governance costs	27,789	—	27,789	16,719	—	16,719
Total funds	38,674	—	38,674	31,671	—	31,671

Governance costs are made up as follows:

	2023 £	2022 £
Legal and professional fees	6,850	8,582
Auditor's remuneration	11,160	6,280
Trustee Insurance	1,120	—
Meeting costs	8,659	1,857
	27,789	16,719

5 Net surplus (deficit) and net movement in funds

This is stated after charging:

	2023 £	2022 £
Auditor's remuneration		
. Statutory audit services	11,160	6,280

Fees paid to the Charity's auditors for other services, which all relate to financial advice, are included in Support Costs and totalled £nil (2022: £1,950). The total amount payable to the auditors was £11,160 (2022: £8,230).

6 Key management personnel

The key management personnel of the Charity throughout the year in charge of directing, controlling, and running the Charity on a day to day basis comprise the Generalate Sisters and the Bursar General of the Congregation.

Notes to the financial statements 31 December 2023

6 Key management personnel (continued)

During 2023, the Sister trustees and Bursar General were all members of the Congregation and their living and personal expenses are borne by the Charity as part of the grant to the Generalate. No trustee received any remuneration in connection with their duties to the Charity (2022: £nil). The lay trustee was reimbursed £360 (2022: £252) for expenses in attending meetings.

7 Taxation

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

8 Investments

	2023 £	2022 £
Listed investments		
Market value at 1 January 2023	16,079,526	18,765,051
Net additions at cost	—	8,980
Disposal in year	(345,000)	(750,000)
Unrealised investment gains (losses)	1,323,115	(1,944,505)
Market value at 31 December 2023	<u>17,057,641</u>	<u>16,079,526</u>
Cost of listed investments at 31 December 2023	<u>9,055,418</u>	<u>9,305,038</u>

Of the investments held at 31 December 2023 of £17,057,641 (2022: £16,079,526) £1,119,925 (2022: £984,166) relates to funds held for two (2022: two) Provinces of the worldwide Congregation of the Daughters of the Cross of Liege.

At 31 December 2023, the investments were held as follows:

	2023 £	2022 £
Listed investments		
COIF Charities Ethical Investment Fund	9,534,605	8,907,070
BlackRock Catholic Charities Growth & Income Fund	7,523,036	7,172,456
	<u>17,057,641</u>	<u>16,079,526</u>

Net investment gains (losses) dealt with in the SOFA are made up as follows:

	2023 £	2022 £
Net investment gains (losses) on listed investments – as above	1,323,115	(1,944,505)
Less: Other investment (gains) losses (see below)	(85,734)	113,294
Gains (losses) on investments assets per SOFA	<u>1,237,381</u>	<u>(1,831,211)</u>

Investments have been placed in unitised funds with two investments managers. These investment managers are CCLA Fund Managers Limited, with investment in COIF Charities Ethical Investment Fund, and BlackRock Fund Managers Limited, with investment in BlackRock Catholic Charities Growth & Income Fund.

Notes to the financial statements 31 December 2023

8 Investments (continued)

During the year, the trustees carried out a review of its investment managers, with the help of the General Finance Advisory Committee. An extensive project was undertaken, resulting in the retention of CCLA Fund Managers Limited and the appointment of Cazenove Capital in place of BlackRock Fund Managers Limited. As at the balance sheet date the transfer of investments to Cazenove Capital had not taken place but this happened in the second quarter of 2024.

Other investment gains of £85,734 (2022: losses of £113,294) represent gains in respect of investments held on behalf of parts of the worldwide Congregation of the Daughters of the Cross of Liege, hence they are not attributable to the Charity's Statement of Financial Activities for the year, and the amounts included in creditors as held on behalf of those parts are adjusted accordingly.

9 Debtors

	2023 £	2022 £
Prepayments and accrued income:	84,733	44,130
	<u>84,733</u>	<u>44,130</u>

10 Creditors: amounts falling due within one year

	2023 £	2022 £
Expense creditors	—	5,840
Accruals and deferred income:	39,602	9,201
Amounts held on behalf of parts of the Congregation of the Daughters of the Cross of Liege	174,638	92,687
	<u>214,240</u>	<u>107,828</u>

11 Creditors: amounts falling due after more than one year

	2023 £	2022 £
Amounts held on behalf of parts of the worldwide Congregation of the Daughters of the Cross of Liege	1,352,593	1,186,286

12 Restricted funds

The funds of the Charity include the following restricted funds which have been dealt with in accordance with restrictions applied by the donors of the funds:

	At 1 January 2023 £	Income £	Expenditure £	Gains on investments £	At 31 December 2023 £
Patrimony Fund	358,511	5,153	(8,597)	30,149	385,216

Notes to the financial statements 31 December 2023

12 Restricted funds (continued)

	At 1 January 2022 £	Income £	Expenditure £	Losses on investments £	At 31 December 2022 £
Patrimony Fund	406,163	2,507	(8,756)	(41,403)	358,511
Archives Fund	23,810	—	(23,810)	—	—
	<u>429,973</u>	<u>2,507</u>	<u>(32,566)</u>	<u>(41,403)</u>	<u>358,511</u>

The **Patrimony Fund** represents a patrimony donated to the Charity, with the restriction that any monies donated from that fund must be spent on the day-to-day welfare of the poor cared for by the worldwide Congregation of the Daughters of the Cross of Liege.

13 Endowment fund

The Endowment fund represents a £3m donation, received in 2014, the terms of which required the donation to be invested and held as an Endowment fund. A proportion of the fund, being up to 3.5% of the value of the fund at the beginning of the financial year, may be used to support the running of the Generalate and/or to expand and enhance the mission of the worldwide Congregation of the Daughters of the Cross of Liege.

During the year under review, the trustees approached the donors of the Endowment Fund and requested that a change be made to the way that the withdrawal from the fund is calculated, to simplify the calculation of the withdrawal amount and make the withdrawal more consistent from year to year. The donors agreed to the trustees' request, and this change has been implemented for 2023.

Movement on the Endowment fund during the year ended 31 December 2023 was as follows:

	2023 £	2022 £
Balance brought forward at 1 January 2023	4,389,648	4,992,547
Add: Investment Income	62,030	—
Add: unrealised gains (losses)	362,213	(602,899)
Less: Withdrawals from the fund	(153,636)	—
Balance carried forward at 31 December 2023	<u>4,660,255</u>	<u>4,389,648</u>

14 Designated funds

The funds of the Charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	At 1 January 2023 £	Net designations £	Donations £	At 31 December 2023 £
Chapter Fund	100,908	25,809	(1,717)	125,000
Entraide Fund	383,605	37,773	(4,341)	417,037
Solidarity Fund	9,699,180	1,043,775	(338,732)	10,404,223
	<u>10,183,693</u>	<u>1,107,357</u>	<u>(344,790)</u>	<u>10,946,260</u>

Notes to the financial statements 31 December 2023

14 Designated funds (continued)

	At 1 January 2022 £	Net designations £	Donations and transfers £	At 31 December 2022 £
Chapter Fund	79,011	27,508	(5,611)	100,908
Entraide Fund	437,443	(42,444)	(11,394)	383,605
Emerging Needs	9,575,531	(8,548,093)	(1,027,438)	—
Solidarity Fund	98,590	9,600,590	—	9,699,180
Generale Fund	2,350,000	(2,137,000)	(213,000)	—
	<u>12,540,575</u>	<u>(1,099,439)</u>	<u>(1,257,443)</u>	<u>10,183,693</u>

The Chapter Fund comprises amounts designated to contribute to the costs of the next General Chapter of the worldwide Congregation of the Daughter of the Cross of Liege, which is due to take place in May 2024 and for which the trustees expect to grant funds.

The Entraide Fund comprises monies designated for help for the poor around the world. This money was donated by Entraide Internationale ASBL, a charity based in Belgium, the aim of which was to help the poor and the trustees have designated this fund to carry on the work of that charity. The funds are invested and up to 3.5% of the value of the fund at the beginning of the year is set aside and is regularly, usually annually, donated to appropriate causes.

The Solidarity Fund has been designated to provide funds for situations arising within the worldwide Congregation where financial resources may be needed. These situations may be routine or emergency in nature, issues causing concern currently, or situations where there are concerns for the future and where the Charity may be called on to consider providing assistance.

15 Analysis of net assets between funds

	Unrestricted funds		Restricted funds £	Endowment funds £	Total 2023 £
	General fund £	Designated funds £			
Fund balances at 31 December 2023 are represented by:					
Investments	1,056,227	10,955,943	385,216	4,660,255	17,067,641
Current assets	525,923	—	—	—	525,923
Creditors: amounts falling due within one year	(204,557)	(9,683)	—	—	(214,240)
Creditors: amounts falling due after more than one year	(1,352,593)	—	—	—	(1,352,593)
Total net assets	<u>25,000</u>	<u>10,946,260</u>	<u>385,216</u>	<u>4,660,255</u>	<u>16,016,731</u>

Notes to the financial statements 31 December 2023

15 Analysis of net assets between funds (continued)

	Unrestricted funds		Restricted funds £	Endowment funds £	Total 2022 £
	General fund £	Designated funds £			
<i>Fund balances at 31 December 2022 are represented by:</i>					
<i>Investments</i>	1,153,711	10,183,693	352,474	4,389,648	16,079,526
<i>Current assets</i>	165,403	—	6,037	—	171,440
<i>Creditors: amounts falling due within one year</i>	(107,828)	—	—	—	(107,828)
<i>Creditors: amounts falling due after more than one year</i>	(1,186,286)	—	—	—	(1,186,286)
Total net assets	25,000	10,183,693	358,511	4,389,648	14,956,852

The total unrealised gains as at 31 December 2023 constitutes movements on revaluation of listed investments and are as follows:

	2023 £	2022 £
Total unrealised gains included above:		
On listed investments	8,002,223	6,774,484
Reconciliation of movements in unrealised gains		
Unrealised gains at 1 January 2023	6,774,484	8,954,123
Unrealised gains (losses) arising in year	1,323,115	(1,944,508)
Net realised (gains) on disposal	(95,376)	(235,131)
Total unrealised gains at 31 December 2023	8,002,223	6,774,484

16 Related party transactions

Worldwide Congregation

The majority of trustees are members of the worldwide Congregation of the Daughters of the Cross of Liege. Grants may be made to any part of the Congregation from time to time.

CONGREGATION OF THE DAUGHTERS OF THE CROSS INTERNATIONAL

England & Wales - Charity number 1142490

Accounts

**Congregation Of The
Daughters Of The Cross
International**

**Annual Report and Financial
Statements**

31 December 2022

Company Limited by Guarantee
Registration Number 07565399 (England and Wales)

Charity Registration Number 1142490

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Reference and administrative information

Trustees	Sister Pushpa Purathur (Superior General) Sister Mary McLaughlin Sister Maureen O'Brien Sister Valerie Miranda Peter Cousins FCA
Bursar General	Sister Josephine Rozario
Registered office	C/O Buzzacott LLP 130 Wood Street London EC2V 6DL
Company registration number	07565399 (England and Wales)
Charity registration number	1142490
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	NatWest Bank plc 38 Strand London WC2H 5JB
Solicitors	Stone King LLP Broad Quay House Bristol BS1 4DJ

Trustees' report 31 December 2022

The trustees present their statutory report (which also constitutes a directors' report for the purposes of company law) together with the financial statements of the Congregation Of The Daughters Of The Cross International (the "Charity") for the year ended 31 December 2022.

The financial statements have been prepared in accordance with the accounting policies set out on pages 2425 to 2627 of the attached financial statements and comply with the Charity's Memorandum and Articles of Association, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Charitable objectives and activities

The Congregation of the Daughters of the Cross of Liege ("the Congregation"), is a Roman Catholic Religious Congregation founded in 1833 in Liege, Belgium. The Congregation's principal objectives set out in its Constitution are to advance religion and other charitable work, in particular the relief of poverty and the support of those on the margins of society.

Within the Congregation worldwide there are seven Provinces, one Region, one Sub-Region, and two Houses under the Generalate (Germany and Rome). The central government of the organisation is in Rome. The Generalate comprises the Superior General and her Council, and the Superior General and three members of the Council are trustees of the Charity. The Generalate is based in Rome, Italy and as at 31st December 2022 there were 682 Sisters (2021: 699) within the Congregation living and working around the world. The Superior General is responsible to the Holy See in Rome, Italy.

The Charity was established to be the legal entity which embraced all the activities of a Central Government for a world-wide Congregation and the Generalate was previously based in England. Since the move of the Central Government to Rome in September 2021, the Charity has become a grant-making charity with an unchanged object to advance religion for the benefit of the public, in particular but not limited to, by supporting the charitable works carried out or supported around the world by members of the Congregation and by the formation and training of the members of the Congregation. Following the move, the name of the Charity was changed to remove the word 'Generalate', and this took effect on 12th May 2022.

The Charity makes grants in the following ways:

- ◆ By financing the Generalate and its support Community in Rome.
- ◆ By funding the work, and the projects which enhance it, of the Sisters and their activities in providing for their beneficiaries.
- ◆ By relieving poverty, distress and suffering among the world's deprived and needy people by way of grant funding, either through the Sisters' work or directly.

Charitable objectives and activities (continued)

The Congregation is deeply rooted in the Paschal mystery of the Passion, Death and Resurrection of Jesus Christ and built on its tradition of care, support and compassion for those who are weakest and most vulnerable in our world, the Congregation continues to work in countries where people are living in poverty and on the margins of society. The founder of the Congregation, Blessed Marie Therese and co-founder, Cannon Habets, established social care, nursing and education as priorities in the Congregation but "excluded no work of mercy" and the Sisters and their co-workers continue to be committed to the work of general and special education, the care of the sick, social and pastoral work, the relief of poverty and suffering, and the empowerment of women and girls, especially in countries where they experience oppression.

The Generalate, and the Sisters in leadership positions, continue to explore ways of fulfilling their objects in the face of the continuing challenges of their increasing age profile and the decline in the number of Sisters, especially in the Western Provinces.

The principal activities of the Generalate cover the following:

- ◆ support of the work of the Sisters themselves;
- ◆ support of the worldwide Congregation; and
- ◆ support of co-workers, volunteers and associates of the Congregation.

In authorising grants, the trustees follow the guidance of the Charity Commission on the provision of public benefit and they consider how they will contribute to meeting the Charity's object. In considering potential grants, the trustees are aware that the Congregation focuses on services which deliver the greatest impact to the most vulnerable children and adults in the countries where they are established, whether by way of direct expenditure or by grants and donations.

In mission areas (these are generally in developing countries or in remote areas of established countries) the Sisters set up training programmes which enable the people they are involved with to become as self-sufficient as possible. The Sisters strive always to offer assistance by investing in projects that give people the support and skills they need to turn their life around. In India and Pakistan, the Sisters have also set up centres of excellence in the field of education, medical and nurse training facilities, as well as care centres offering social-work support and a caring supportive environment for the disadvantaged and marginalized in society.

The Congregation upholds the common commitment to safeguarding as an integral part of the life and ministry of all its members and this is reflected in its commitment to the safeguarding of children, young people and adults who may be at risk. The Congregation's policies and procedures are reviewed and updated as necessary. In all the countries where the Congregation is established the Sisters, their staff, and volunteers adhere to the guidelines of the Catholic Church and to the national guidelines in those countries.

Charitable objectives and activities (continued)

In the different Provinces, Regions and Sub Regions of the Congregation, those in leadership positions aim to ensure that all policies and procedures are in place to enable the safe management of its operations and the safety of all to whom the Congregation is offering a service.

As well as supporting the current works, the Generalate also has a responsibility to ensure that Sisters have the necessary care as they age and retire from mainstream activity. These Sisters have contributed to the activities of the Congregation for most of their adult lives but, as they take a vow of poverty, they have no money of their own, and the Generalate has a responsibility to ensure that they are provided for within their own Communities. Although not working in the mainstream, these Sisters have a vast experience of the work, and they continue to help, advise and support the younger Sisters in their activities as far as each one is able.

The Generalate's longer-term objectives are set at each General Chapter which take place every six years. During the year, one of the Charity's objectives was to continue to support the Congregation, and to support the Generalate in its work to fulfil the objectives set at the General Chapter in May 2018. The next General Chapter will take place in 2024.

Generalate Visits and Meetings

The Generalate team support the worldwide Congregation by: canonical visitations; monitoring projects and activities throughout the year; organising National and International meetings, conferences and workshops which bring many of the Congregation's members together several times a year; facilitating and promoting communication and dialogue at all levels throughout the Congregation. Spiritual input plays an important part in these meetings. Sisters and their co-workers keep up to date in their professional practice ensuring that a culture of "best practice" is maintained in all of their establishments. This is verified by the excellent reports received from social services, health and educational authorities.

During their six-year term of office, the Superior General and her Council carry out a programme of pastoral and canonical visitations of the Provinces and Regions. These visits give them the opportunity to assess and monitor the work of the Congregation in that particular region, which is subsequently reported to the trustees. In developing countries, there is sometimes the need to expand the work or establish new missions or, occasionally, to hand over to a local charity which has the necessary skills to carry on the work without the support of the Sisters.

In the developing countries where the Congregation is attracting new vocations, the visits of the Superior General can be an important event and a time to celebrate the achievements of the new Communities and the initiation of new members into the Congregation.

Charitable objectives and activities (continued)

Training

Trustees keep up to date in various ways – by seeking advice from their advisors, by attending courses and events, and by meeting other professionals in the areas of Safeguarding, Health and Safety and related matters. The Sister trustees also consult others in similar situations to ensure that they keep up to date with current issues.

New trustees are given the opportunity to attend workshops and training to ensure that they have the relevant skills and knowledge to fulfil their role as trustees of the Charity.

The Generalate and the Sisters in leadership positions in the Provinces keep updated on the changing regulations and legislation within their countries, by attending workshops and courses, especially on Safeguarding and Health and Safety. They also set up relevant Policies and Procedures as required by civil authorities in that country.

Trustees' meetings

The trustees meet twice a year in England in the Spring and Autumn and have one online meeting in-between.

General Finance Advisory Committee

The General Finance Advisory Committee is an advisory committee set up by the Generalate to support and advise the Charity and the Generalate on its financial and related affairs. It meets twice a year in Spring and Autumn to coincide with the trustee meetings. Its members are the trustees, a Generalate Sister and other lay members drawn from mainly, financial, investment and legal backgrounds.

Achievements and performance

Grants made

The Charity made grants totalling £1,290,009 during the year (2021: £9,378), the majority of which were spent supporting the Daughters of the Cross around the world.

Of this total, the Generalate received total grants amounting to £242,421 (2021 - £116,173 Generalate costs in total) which helped to meet the running costs of the Generalate in Rome; this includes £23,810 from the Archive Fund, as a contribution to setting up the archives of the Congregation in Rome, and £5,611 which reflects initial costs of the 2024 Chapter from the Chapter Fund.

The Region of Cameroun, Africa, received a grant of £121,251 (2021 - £nil) to buy land on which to build a Convent and School.

Achievements and performance (continued)

Grants made (continued)

The former German Province, now a House under the Generalate, is a diminishing community which is having to rationalise its property portfolio to accommodate elderly, sick and frail Sisters. A grant of £882,627 (2021 £nil) was made to help them find alternative accommodation, to help with moving costs, deal with cemetery issues around moving, and contribute to the initial Care Home fees.

There were other small grants totalling £20,150 (2021 - £26,578) which included grants from the Entraide and Patrimony Funds (for the poor of the world and the poor looked after by the Congregation).

One of the Charity's objects is to support the formation and training of the members of the Congregation. Grants of £23,560 were made to the Rourkela Province and the Cameroun Region to meet their costs. Other Provinces, Regions and Houses do have costs of formation and training but where they have the funds to meet them, there is no need for the Charity to make grants.

Formation and training

Ongoing religious formation for all the Sisters, regardless of age, is important in what has become a mainly secular society. Formation and training of young Sisters for full membership of the Congregation and for professional qualifications remains a high priority. Natural aptitude and ability, as well as the needs of the Mission of the Congregation, are taken into consideration when preparing the young Sisters for their future roles in the Congregation.

Spirituality courses are also essential for the development of Sisters in their religious commitment and to enable them to respond to the challenges in living out their own commitment and in forming others in the Charism of the Congregation.

Professional training and qualification in all the areas that the Sisters are engaged in (predominately health and education), has become even more important as they work alongside highly qualified and competent lay colleagues.

Training for leadership amongst the younger Sisters remains a priority in the Congregation and each year courses are identified which will enable them to gain qualifications and they are given relevant experience to take up senior positions within the Congregation.

Achievements and performance (continued)

The Generalate

The Generalate grant of £242,421 (2021 - £116,173 Generalate costs in total) helped to meet the running costs of the Generalate in Rome, which not only carries out the duties of a Central Government, but also includes supporting the smaller entities within the Congregation which are not yet large enough to have their own government (e.g. Cameroun), or which have reduced in size and capability (e.g. Germany). The Generalate's costs have included travel costs and during the year the Generalate Sisters have visited Provinces in Pakistan, Bombay, Calcutta and the Houses in Cameroun, Brazil, Belgium Francophone and Germany. These visits had to be postponed because of the Covid pandemic but they are very important as they demonstrate the support and interest from the Generalate in all the activities being carried out by the Sisters, wherever they are living and working.

The Sisters in the Leadership role in the Generalate form the majority of the trustee membership and hold overall responsibility for the life and mission of the Congregation. Their role is to guide, inspire and animate the Sisters and in accordance with their constitutions to encourage a spirituality that is living faithful and creative.

Set out below are brief reports of the activities carried out by the Generalate and the worldwide Congregation.

In the three Indian Provinces, Bombay, Calcutta and Rourkela, education is largely the focus and a significant number of Sisters are qualified for this ministry. Most of the well-established institutions are schools, some being over a century old. Today Sisters are also involved in schools managed by the Diocese and other Religious Congregations.

Non-formal education takes different forms in the Provinces. Some rural and semi-rural communities are engaged in women's empowerment, and support study classes, legal aid and primary health care. Others conduct short term skill training for various health worker roles, hospitality and tailoring, with the aim of culminating in job placement with dignity. In the city, accompanying migrants and visiting prisoners are more recent activities. Boardings and hostels are many and several Sisters are involved in the pastoral ministry.

A 100-bed fully equipped Bombay city hospital celebrated its centenary and now moves for a radical upgrade, for which funds have been obtained locally. A 150-bed hospital in a very poor region is under construction, and is soon to have a Nursing School and Hostel attached. Dispensaries are attached to many communities and mobile services made available.

Formation of the young is taken seriously, both religious and professional. Much is invested in this area as most enter the Congregation with the minimum pre-university qualification.

The Indian provinces are well administered and financially stable and are guided by experienced and reliable lay advisors.

Achievements and performance (continued)

The Generalate (continued)

In the Pakistan Province, the main Apostolate has always been education and the Sisters run a number of schools and also work, usually in senior positions in parish schools.

The education of street children remains an important project for the Sisters in Pakistan, with the aim of the programme to bring these young people into mainstream education or onto vocational training programmes.

Some Sisters are involved in missionary activities which take them into many of the poorest areas of the Punjab Province. The Sisters work closely with missionary priests who accompany them on their journeys as it can be very risky for the Sisters travelling into these areas alone. The Sisters work mostly with the woman and girls.

In some areas the Sisters are involved in the provision of health care and social work support for the people who walk many miles for basic medicines and medical treatment at their health care centres.

The mission of the Sisters in Cameroun is very active and there are many vocations to The Daughters of the Cross. Although several other Religious Congregations have left the area because of the dangers and problems associated with the militant groups and the political instability in the country, the Daughters of the Cross have opted to remain due to their commitment to the people and to the number of projects they have started. The bishops and priests in the mission areas are very appreciative of their commitment and dedication to the people.

The country of Cameroun has low life-expectancy, and high maternal mortality. Poverty is on the rise, particularly in rural areas. The worldwide Congregation sees the Cameroun mission as one of the most vibrant in the developing world and are committed to supporting projects that empower and enable people to improve their situations in life and those that will facilitate education and health care. The Sisters run a bilingual college in the North of the country where illiteracy is high. The college is now well established in the area and attracts many students. The local people are very proud of this college and there is always a waiting list of young people looking for admission. The work the Sisters do with the women and girls in the villages helps to ensure that these young women are better equipped to manage their budgets and learn home making skills.

Several of the local young women who have joined the Congregation are now undertaking professional training courses in teaching, social work and nursing as well as continuing their formation training in religious life and in leadership.

Achievements and performance (continued)

The Generalate (continued)

Like the majority of Religious Congregations in mainland Europe and England the Daughters of the Cross have been experiencing diminishing numbers of vocations for many years in the Western Provinces, Belgium, Germany and England. However, due to excellent forward planning, the transfer of their works to lay management has gone smoothly and the Sisters who are able to, still serve on the new trust boards and advisory bodies. Their expertise and years of managing large operations such as schools, hospitals and care homes means that they have a wealth of knowledge and experience that the new governing bodies really appreciate and value.

In some parts of England and in Europe a small number of Sisters are still actively involved in parish ministry, visiting the sick, social and pastoral care, hospital and hospice chaplaincy work and healing ministry, counselling and supporting the various groups of Associates of the Daughters of the Cross.

In the English Province a large amount of time has been spent by the Provincial and her Council planning for the future. Various building work is in progress, although there have been delays due to the difficulty of obtaining materials. Time has been spent on the sale of property no longer needed, but unfortunately this has been hampered by the world-wide economic situation.

The German Sisters, who have always been great missionaries and over the years, having helped to establish new foundations in Europe, England, India and Pakistan, have now come to the decision that they can no longer manage to live in their very large property in Aspel near Rees, which has been the home for countless communities of Daughters of the Cross. They are now in the process of trying to sell the property.

The relocation of the Sisters started in February 2022 and was completed in May 2023. They have all moved to their new location in Aachen region of Germany, where many of the Sisters will have both care and nursing facilities.

In the Belgium Flemish (Neerlandophone) Province, due to age and health issues most of the Sisters are now not able to work. The Provincial and her council are receiving help in settling property and financial matters for the future. Their property is to be sold to an organisation which owns several care homes and the Sisters will remain in their own home and be well taken care of. Their future is secure.

In the Belgium Francophone Province, older Sisters live in a care home owned by the Province in Liege. Younger Sisters are very active in ministry. Their recently established Foundation has ensured that their financial future is secure. The Sisters support each other as they grow older and experience various medical problems and know that God will not let them down.

Achievements and performance (continued)

The Generalate (continued)

The relocation of the Generalate to Rome took place on the 9th September 2021. The Rome Convent building had been a care home which the Rome community of Daughters of the Cross had run for many years. Extensive renovations were required to provide the necessary facilities for the Generalate community to take over the property. Some of the external work is still ongoing. The newly renovated building provides office accommodation, conference and meeting rooms, library, statistics room and archives, as well as the necessary living spaces. It is planned to hold the General Chapter in 2024 in the Generalate building in Rome and also other international gatherings of the Daughters of the Cross.

The small community of Sisters in Brazil continue to have an active involvement in a number of works including general and special needs education, craft and other creative work with young people with special needs, nursing and social work amongst the slums and prison visiting.

Financial review

Results for the year

A summary of the year's results is given on page 21 of the financial statements.

Total income for the year was £121,648 (2021 – £172,883) which was mainly investment income and total expenditure was £1,321,680 (2021 – £130,130). Support costs were £31,671 compared with £41,343 last year, and the balance of £1,290,009 (2021 - £9,378) were grants and donations which are explained under Achievements and Performance.

The net expenditure for the year before investment losses was therefore £1,200,032 (2021 – net income of £42,753). It is the nature of the funding required by the Generalate for the support of the worldwide Congregation, that significant expenditure is required from time to time and this year there was a considerable need to support the Sisters in Germany.

Investment policy and performance

Investments are with two investment managers and placed in ethical multi-asset unitised funds which take into account Catholic social teaching. These investment managers are CCLA Fund Managers Limited, with investment in COIF Charities Ethical Investment Fund, and BlackRock Fund Managers Limited, with investment in BlackRock Catholic Charities Growth & Income Fund.

Financial review (continued)

Investment policy and performance (continued)

The Charity's investment objectives are to achieve capital growth in the longer term, say five to ten years, whilst preserving the capital value in real terms and to generate a growing income over time. Income and gains are withdrawn to fund the grants and support costs.

The investment managers' results and performance are reviewed twice each year at the Charity's General Finance Advisory Committee meetings. Representatives of the investment managers are invited to attend one of these meetings each year.

After a number of years of strong growth, Stock Markets this year have had a major correction resulting in investment losses of £1,831,211 (2021 – gains of £2,209,346). The market value of investments at 31 December 2022 was £16,079,526 (2021 – £18,765,051), reflecting the losses and amounts withdrawn to pay grants. Of this amount, £984,166 (2021 – £1,092,586) relates to funds held for two (2021 – two) Provinces in the worldwide Congregation, which is paid over to them as they require it. Details of the movements are given in note 9 to these financial statements. The way in which income on investments and the investment gains and losses have been presented has been changed to reflect a more accurate way of determining the movements in the unit value movements and distributions. Further information has been provided in note 18 to the accounts.

Since the year-end, global markets have shown signs of a slight recovery.

Reserves policy and financial position

The Charity has an Endowment Fund and there is one remaining Restricted Fund (the Patrimony Fund). Another restricted fund, the Archives Fund, was expended during the year. The trustee's policy beyond these two funds is to designate amounts for specific purposes where there is an obvious or potential need, whilst maintaining adequate free reserves. These free reserves are the General Fund which represents the working capital requirements of the Charity.

Designated funds comprise a Solidarity fund, a Chapter fund and an Entraide fund.

The Entraide Fund is for making grants to the "poor of the world". The Chapter Fund represents sums set aside for the Congregation's General Chapter, which is a world-wide meeting held every six years, with the next one taking place in Rome in 2024. The Solidarity Fund has been designated to provide funds for situations arising within the worldwide Congregation where financial resources may be needed, whether these situations are routine or emergency in nature.

The trustees allocate funds from time to time and review them regularly to ensure designated funds are available to meet the charity's objects without compromising ongoing budget commitments. The timing of such spending is difficult to predict.

Financial review (continued)

Reserves policy and financial position (continued)

The trustees have rationalised and simplified the funds this year, reflecting the fact that the Charity is now solely grant-making. The Generalate Fund is no longer required and so has been merged with the Emerging Needs fund and the Solidarity Fund as the purposes of these funds is now broadly the same. The one fund is now named the Solidarity fund and the recategorisation took place at 31st December 2022.

All designated funds are invested or held in cash at the balance sheet date. Free reserves at 31 December 2022 amount to £25,000 (2021 – £25,000) which the trustees consider to be in line with the reserves policy.

Plans for future periods

The Charity will continue to help fund the Generalate and do what it can to support the Generalate in continuing with the objectives set out at its General Chapter in May 2018.

A number of Canonical visitations by the Superior General and the General Councillors, supported by the Charity, have been carried out this year as the difficulties arising from the Coronavirus outbreak have diminished, and in a similar way they are now attending to the Provincial Chapters being held in preparation for the May 2024 Chapter.

Next year grants are likely to be made from the Solidarity Fund to support the developing mission in Cameroun, and for the Generalate to help adapt its own property (previously a Care Home) to meet its own needs.

Principal risks and uncertainties

The trustees have assessed the major risks to which the Charity is exposed and they have put procedures in place to mitigate them as far as possible. The principal risk is volatility and/or radical change within global financial markets, which could result in investment values and income being insufficient to meet the requests of the Congregation's projects which the trustees would wish to support.

Risks are mitigated by using two investment managers, by investing in multi-asset unitised funds, by meeting the investment managers every year and by considering the Charity's investments twice a year at the General Finance Advisory Committee meetings.

Fundraising

The Charity does not solicit donations from the general public and therefore does not work with any commercial or professional fundraisers.

Structure, governance and management

Constitution

The Congregation of The Daughters of The Cross International Generalate was incorporated as a company limited by guarantee on 15 March 2011 (Registration Number 07565399) and registered as a charity on 20 June 2011 (Charity Registration Number 1142490). The charitable company is governed by its Articles of Association which was subject to minor changes in 2021 and 2022. The name of the Charity was changed on 12 May 2022 and its registration numbers retained.

Structure, governance and management (continued)

Trustees

The trustees constitute directors of the company for the purposes of company law and trustees of the Charity for the purposes of charity legislation. The following trustees were in office as at 31 December 2022 and served throughout the year as shown:

Trustee

Sister Pushpa Purathur (Superior General)

Sister Mary McLaughlin

Sister Maureen O'Brien

Sister Valerie Miranda

Peter Cousins

Statement of trustees' responsibilities

The trustees 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 to the United Kingdom and Republic of Ireland (FRS 102); the Statement of Recommended Practice (Accounting and Reporting by Charities) (the Charities' SORP);
- ◆ 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 proper 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees confirms that:

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

Trustees' report 31 December 2022

Key management personnel

The management of the Charity throughout the year, in charge of directing, controlling and running the Charity on a day-to-day basis comprised the Sister trustees and the Bursar General of the Congregation, who the trustees consider were the key management personnel.


During 2022, the Sister trustees and the Bursar General were members of the Congregation and their expenses for attending trustee and GFAC meetings are borne by the Charity.

Related Parties

Worldwide Congregation

The Generalate and the Sisters are part of the worldwide Congregation of the Daughters of the Cross of Liege. Grants are made by the Charity to Provinces and to other Sisters of the Congregation around the world from time to time.

Approved by the trustees and signed on their behalf by:

Trustee: 
Approved on: 16-08-2023

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

Opinion

We have audited the financial statements of the Congregation of The Daughters of The Cross International for the year ended 31 December 2022 which comprise the statement of financial activities, the comparative statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the related notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland.

In our opinion the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matter 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, 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, 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 charity and its environment obtained in the course of the audit, we have identified no material misstatements in the trustees' report. We have nothing to report in respect of the following matters where 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; or
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the trustees' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

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.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the Senior Statutory Auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations; and
- ◆ we obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), Companies Act 2006 and the Charities Act 2011).

Independent auditor's report 31 December 2022

Auditor's responsibilities for the audit of the financial statements (continued)

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management 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 unusual or unexpected relationships;
- ◆ carried out substantive testing of expenditure including the authorisation thereof;
- ◆ reviewed journal entries to identify unusual transactions and substantiated these where appropriate; and
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ review of the minutes of meetings of those charged with governance; and
- ◆ enquiring of management as to actual and potential litigation and claims.

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.

Independent auditor's report 31 December 2022

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Edward Finch, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

14 September 2023

Statement of financial activities (incorporating an income and expenditure account)
Year to 31 December 2022

	Notes	Unrestricted funds £	Restricted funds £	Endowment fund £	Total funds 2022 £
Income and expenditure					
Income from:					
Donations	1	—	—	—	—
Investments	2	109,500	2,507	—	112,007
Other	3	9,641	—	—	9,641
Total income		119,141	2,507	-	121,648
Expenditure on charitable activities:					
Funding Generalate	4	213,000	—	—	213,000
Grants and donations	5	1,044,443	32,566	—	1,077,009
Total Grants and Donations	5	1,257,443	32,566	—	1,290,009
Support costs	6	31,671	—	—	31,671
Total expenditure		1,289,114	32,566	—	1,321,680
Net (expenditure) before net investment losses		(1,169,973)	(30,059)	—	(1,200,032)
Net losses on the revaluation and disposal of listed investments	9	(1,186,909)	(41,403)	(602,899)	(1,831,211)
Net deficit and net movement in funds	7	(2,356,882)	(71,462)	(602,899)	(3,031,243)
Reconciliation of funds					
Total funds brought forward at 1 January 2022		12,565,575	429,973	4,992,547	17,988,095
Total funds carried forward at 31 December 2022		10,208,693	358,511	4,389,648	14,956,852

All recognised gains and losses are included in the above statement of financial activities.

All of the charity's activities derived from continuing operations during the above financial period.

Comparative statement of financial activities Year to 31 December 2021

	Notes	Unrestricted funds Restated £	Restricted funds Restated £	Endowment fund £	Total funds 2021 Restated £
<i>Income and expenditure</i>					
<i>Income from:</i>					
Donations	1	42,963	—	—	42,963
Investments	2	125,034	2,898	—	127,932
Other	3	1,763	225	—	1,988
Total income		169,760	3,123	—	172,883
<i>Expenditure on charitable activities:</i>					
Funding Generalate	4	116,173	—	—	116,173
Grants and donations	5	(34,704)	7,318	—	(27,386)
Support costs	6	41,343	—	—	41,343
Total expenditure		122,812	7,318	—	130,130
<i>Net income (expenditure) before net investment gains</i>		46,948	(4,195)	—	42,753
<i>Net gains on the revaluation and disposal of listed investments</i>	9	1,619,235	50,607	539,504	2,209,346
Net income and net movement in funds	7	1,666,183	46,412	539,504	2,252,099
<i>Reconciliation of funds</i>					
<i>Total funds brought forward at 1 January 2021</i>		10,899,392	383,561	4,453,043	15,735,996
Total funds carried forward at 31 December 2021		12,565,575	429,973	4,992,547	17,988,095

All recognised gains and losses are included in the above statement of financial activities.

All of the charity's activities derived from continuing operations during the above financial period.

Balance sheet 31 December 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Investments	9		16,079,526		18,765,051
Current assets					
Debtors	10	44,130		30,615	
Cash at bank and in hand		127,310		891,183	
		171,440		921,798	
Creditors: amounts falling due within one year	11	(107,828)		(377,709)	
Net current assets			63,612		544,089
Total assets less current liabilities					
			16,143,138		19,309,140
Creditors: amounts falling due after more than one year	12		(1,186,286)		(1,321,045)
Total net assets			14,956,852		17,988,095
The funds of the charity					
Restricted funds	13		358,511		429,973
Endowment fund	14		4,389,648		4,992,547
Unrestricted funds					
. Designated funds	15				
.. Chapter fund		100,908		79,011	
.. Entraide fund		383,605		437,443	
.. Emerging Needs fund		—		9,575,531	
.. Solidarity fund		9,699,180		98,590	
.. Generalate fund		—		2,350,000	
			10,183,693		12,540,575
. General funds			25,000		25,000
			14,956,852		17,988,095

Approved by the trustees of the Congregation Of The Daughters Of The Cross International Generalate, Company Registration Number 07565399 (England and Wales), and signed on their behalf by:

Trustee: 

Approved on: 16-08-2023

Statement of Cash flows 31 December 2022

	Notes	2022 £	2021 Restated £
Cash (outflow) from operating activities:			
Net cash used by operating activities	A	(1,617,562)	(593,973)
Cash inflow from investing activities:			
Dividends and interest from investments		112,007	127,932
Net disposal (purchase) of investments		741,020	798,309
Net cash used in investing activities		853,027	926,241
Change in cash and cash equivalents in the year		(764,535)	332,268
Cash and cash equivalents at 1 January 2022	B	891,183	557,847
Change in cash and cash equivalents due to exchange rate movements		662	1,068
Cash and cash equivalents at 31 December 2022		127,310	891,183

Notes to the statement of cash flows for the year to 31 December 2022.

A Reconciliation of net income to net cash provided by operating activities

	2022 £	2021 £
Net (deficit) income (as per the statement of financial activities)	(3,031,243)	2,252,099
Adjustments for:		
Losses (Gains) on investments	1,944,505	(2,392,706)
Dividends and interest from investments	(112,007)	(127,932)
Foreign exchange (gain) loss	(662)	(1,068)
(Increase) decrease in debtors	(13,515)	(16,843)
(Decrease) increase in creditors	(404,640)	(307,523)
Net cash used by operating activities	(1,617,562)	(593,973)

B Analysis of cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	127,310	891,183
Total cash and cash equivalents	127,310	891,183

No separate reconciliation of net debt has been prepared as there is no difference between the net cash (debt) of the charity and the above cash and cash equivalent

Principal Accounting Policies 31 December 2022

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are set out below.

Basis of preparation

These financial statements have been prepared for the year to 31 December 2022 with comparative information in respect to the year ended 31 December 2021.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the trustees and management to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include:

- ◆ the allocation of amounts held on behalf of parts of the worldwide Congregation of the Daughters of the Cross of Liege between short and long term creditors; and
- ◆ the assumptions adopted in determining the value of any designations required from the charity's general unrestricted funds.

Assessment of going concern

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

The trustees of the Charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The trustees are of the opinion that the Charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above.

Assessment of going concern (continued)

With regard to the next accounting period, the year ending 31 December 2023, the most significant areas that affect the carrying value of the assets held by the Charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the trustees' report for more information).

Income

Income is recognised in the period in which the Charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income mainly comprises income from investments (2021: donations received in respect of contributions received from the various Provinces within the worldwide Congregation and income from investments).

In accordance with the Charities SORP FRS 102 volunteer time is not recognised. For the purposes of these accounts, no value has been placed on administrative and other services provided by members of the Congregation.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and all expenses are allocated to the applicable expenditure headings. The majority of expenditure is directly attributable and any apportionment between headings is negligible. The classification between activities is as follows:

- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the Charity through the provision of its charitable activities. Until 9 September 2021, this includes the costs of supporting the Sisters under the care of the Charity, expenditure on the upkeep of the property occupied by the Charity and governance costs. After that date, all expenditure is by way of grants and related support costs.

Governance costs comprise the costs involving the public accountability of the Charity (including audit costs) and costs in respect of its compliance with regulation and good practice.

All expenditure is stated inclusive of irrecoverable VAT.

Investments

Listed investments are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The Charity only holds units in quoted unitised funds.

Investments (continued)

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and in hand represents such accounts that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year are disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

Creditors and provisions

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

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the net movement in funds.

Fund structure

General funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the Charity's charitable objects.

Designated funds comprise monies set aside out of unrestricted general funds for specific future purposes or projects.

Restricted funds represent donations received for which the donor has prescribed how these donations may be used, and these monies are only used for those specified charitable purposes.

Endowment funds comprise monies which must be invested and held as capital. Income therefrom is credited to general funds and applied for general purposes unless under the terms of the endowment such income must be used for specific purposes in which case it is credited to restricted funds.

Notes to the financial statements 31 December 2022

1 Income from donations

	Unrestricted funds £	Restricted funds £	2022 Total £	Unrestricted funds £	Restricted funds £	2021 Total £
Contributions from Provinces	—	—	—	42,713	—	42,713
Other donations	—	—	—	250	—	250
Total funds	—	—	—	42,963	—	42,963

2 Income from investments

	Unrestricted funds £	Restricted funds £	2022 Total £	Unrestricted funds Restated £	Restricted funds Restated £	2021 Total Restated £
Income from listed investments						
. UK equities	108,556	2,507	111,063	124,961	2,898	127,859
Bank interest	944	—	944	73	—	73
Total funds	109,500	2,507	112,007	125,034	2,898	127,932

3 Other income

	Unrestricted funds £	Restricted funds £	2022 Total £	Unrestricted funds £	Restricted funds £	2021 Total £
Proceeds on sale of fixed assets	—	—	—	920	—	920
Investment manager fees refunded	8,979	—	8,979	—	—	—
Foreign exchange gains	662	—	662	843	225	1,068
Total funds	9,641	—	9,641	1,763	225	1,988

4 Expenditure on charitable activities:

Funding Generalate

	Unrestricted funds £	Restricted funds £	2022 Total £	Unrestricted funds £	Restricted funds £	2021 Total £
Sisters' living and personal support	—	—	—	13,891	—	13,891
Property	—	—	—	23,370	—	23,370
Administration	—	—	—	38,764	—	38,764
Car costs and travel	—	—	—	3,384	—	3,384
Grant	213,000	—	213,000	36,764	—	36,764
Total Funding Generalate	213,000	—	213,000	116,173	—	116,173

This year's grant represents a whole year, whereas the 2021 grant was only for the period from 9th September 2021 onwards, the date that the Generalate moved to Rome.

Notes to the financial statements 31 December 2022

5 Grants and donations

	Unrestricted funds £	Restricted funds £	2022 Total £	Unrestricted funds £	Restricted funds £	2021 Total £
Patrimony fund donations	—	8,756	8,756	—	7,318	7,318
Archive fund donation	—	23,810	23,810	—	—	—
Entraide fund donations	11,394	—	11,394	12,659	—	12,659
Chapter fund donations	5,611	—	5,611	—	—	—
Emerging Needs fund donations						
To Rourkela Province	—	—	—	6,100	—	6,100
To German Province	882,627	—	882,627	—	—	—
To Cameroun Province	121,251	—	121,251	—	—	—
Formation costs for Rourkela and Cameroun	23,560	—	23,560	—	—	—
Other donations	—	—	—	501	—	501
Write back of donation to Brazil Province no longer required	—	—	—	(53,964)	—	(53,964)
	1,044,443	32,566	1,077,009	(34,704)	7,318	(27,386)
Grant to Generalate of the Daughters of the Cross of Liege	213,000	—	213,000	36,764	—	36,764
Total donations	1,257,443	32,566	1,290,009	2,060	7,318	9,378

6 Support Costs

	Unrestricted funds £	Restricted funds £	2022 Total £	Unrestricted funds £	Restricted funds £	2021 Total £
Administration	14,952	—	14,952	7,713	—	7,713
Governance costs	16,719	—	16,719	33,630	—	33,630
Total funds	31,671	—	31,671	41,343	—	41,343

Governance costs are made up as follows:

	2022 £	2021 £
Legal and professional fees	8,582	26,809
Auditor's remuneration	6,280	4,860
Meeting costs	1,857	1,961
	16,719	33,630

7 Net (deficit) income and net movement in funds

This is stated after charging:

	2022 £	2021 £
Auditor's remuneration		
. Statutory audit services	6,280	4,860

Notes to the financial statements 31 December 2022

Fees paid to the Charity's auditors for other services, which all relate to financial advice, are included in Support Costs and totalled £1,950 (2021: £12,696). The total amount paid to the auditors was £8,230 (2021: £17,556).

8 Key management personnel

The key management personnel of the Charity throughout the year in charge of directing, controlling, and running the Charity on a day to day basis comprise the Sister trustees and the Bursar General of the Congregation.

During 2022, the Sister trustees and Bursar General were all members of the Congregation and their living and personal expenses are effectively partly borne by the Charity. No trustee received any remuneration in connection with their duties to the Charity (2021 – £nil). The lay trustee was reimbursed £252 for expenses in attending meetings.

8 Taxation

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

9 Investments

Listed investments	2022 £	2021 Restated £
Market value at 1 January 2022	18,765,051	17,170,654
Net additions at cost	8,980	1,691
Disposal in year	(750,000)	(800,000)
Unrealised investment (losses) gains	(1,944,505)	2,392,706
Market value at 31 December 2022	<u>16,079,526</u>	<u>18,765,051</u>
Cost of listed investments at 31 December 2022	<u>9,305,038</u>	<u>9,810,928</u>

Of the investments held at 31 December 2022 of £16,079,526 (2021 – £18,765,051) £984,166 (2021 – £1,092,586) relates to funds held for two (2021 – two) Provinces of the worldwide Congregation of the Daughters of the Cross of Liege.

At 31 December 2022, the investments were held as follows:

Listed investments	2022 £	2021 £
COIF Charities Ethical Investment Fund	8,907,070	10,330,537
BlackRock Catholic Charities Growth & Income Fund	7,172,456	8,434,514
	<u>16,079,526</u>	<u>18,765,051</u>

Net investment (losses) gains dealt with in the SOFA are made up as follows:

	2022 £	2021 Restated £
Net investment (losses) gains on listed investments – as per above	(1,944,505)	2,392,706

Notes to the financial statements 31 December 2022

Less: Other investment (losses) gains (see below)	113,294	(183,360)
(Losses) gains on investments assets per SOFA	(1,831,211)	2,209,346

9 Investments (continued)

Investments have been placed in unitised funds with two investments managers. These investment managers are CCLA Fund Managers Limited, with investment in COIF Charities Ethical Investment Fund, and BlackRock Fund Managers Limited, with investment in BlackRock Catholic Charities Growth & Income Fund.

Other investment losses of £113,294 (2021 – restated gains of £183,360) represent losses in respect of investments held on behalf of parts of the worldwide Congregation of the Daughters of the Cross of Liege, hence they are not attributable to the Charity's Statement of Financial Activities for the year, and the amounts included in creditors as held on behalf of those parts are adjusted accordingly.

10 Debtors

	2022	2021
	£	£
Prepayments and accrued income	44,130	29,469
Sundry debtors	—	1,146
	44,130	30,615

11 Creditors: amounts falling due within one year

	2022	2021
	£	£
Expense creditors	5,940	—
Accruals and deferred income	9,018	8,699
Other creditors	183	2,142
Amounts held on behalf of parts of the Congregation of the Daughters of the Cross of Liege	92,687	366,868
	107,828	377,709

12 Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Amounts held on behalf of parts of the worldwide Congregation of the Daughters of the Cross of Liege	1,186,286	1,321,045

Notes to the financial statements 31 December 2022

13 Restricted funds

The funds of the Charity include the following restricted funds which have been dealt with in accordance with restrictions applied by the donors of the funds:

	At 1 January 2022 £	Income £	Expenditure £	Losses on investments £	At 31 December 2022 £
Patrimony Fund	406,163	2,507	(8,756)	(41,403)	358,511
Archives Fund	23,810	—	(23,810)	—	—
	429,973	2,507	(32,566)	(41,403)	358,511

	At 1 January 2021 £	Income Restated £	Expenditure Restated £	Gains on investments Restated £	At 31 December 2021 £
Patrimony Fund	359,751	3,123	(7,318)	50,607	406,163
Archives Fund	23,810	—	—	—	23,810
	383,561	3,123	(7,318)	50,607	429,973

The **Patrimony Fund** represents a patrimony donated to the Charity, with the restriction that any monies donated from that fund must be spent on the day-to-day welfare of the poor cared for by the worldwide Congregation of the Daughters of the Cross of Liege.

The **Archives Fund** represents a donation made towards the cost of creating a comprehensive archive of all historic documents and artefacts of the worldwide Congregation of the Daughters of the Cross of Liege. During the year under review, the full amount of the Archives Fund was donated to the Generalate for their costs in establishing the archives of the Congregation in Rome.

14 Endowment fund

The Endowment fund represents a £3m donation, received in 2014, the terms of which required the donation to be invested and held as an Endowment fund. The income earned on those funds may be used to support the running of the Generalate and/or to expand and enhance the mission of the worldwide Congregation of the Daughters of the Cross of Liege.

Following the third anniversary of the receipt of the donation, the trustees are also able to apply, in certain circumstances, the cumulative gains earned on the investments in accordance with the donor's wishes. The Charity has not yet applied any of these cumulative gains for any purpose.

Notes to the financial statements 31 December 2022

14 Endowment fund (continued)

Movement on the endowment fund during the year ended 31 December 2022 was as follows:

	2022 £	2021 £
Balance brought forward at 1 January 2022	4,992,547	4,453,043
Add: unrealised (losses) gains	(602,899)	539,504
Balance carried forward at 31 December 2022	4,389,648	4,992,547

15 Designated funds

The funds of the Charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	At 1 January 2022 £	Net designations £	Donations £	At 31 December 2022 £
Chapter Fund	79,011	27,508	(5,611)	100,908
Entraide Fund	437,443	(42,444)	(11,394)	383,605
Emerging Needs	9,575,531	(8,548,093)	(1,027,438)	—
Solidarity Fund	98,590	9,600,590	-	9,699,180
Generalate Fund	2,350,000	(2,137,000)	(213,000)	—
	12,540,575	(1,099,439)	(1,257,443)	10,183,693

	At 1 January 2021 £	New designations £	Released to general fund £	At 31 December 2021 £
Chapter Fund	39,868	39,143	—	79,011
Entraide Fund	391,269	58,833	(12,659)	437,443
Emerging Needs Fund	8,567,641	1,076,507	(68,617)	9,575,531
Solidarity Fund	85,614	12,976	—	98,590
Generalate Fund	1,790,000	560,000	—	2,350,000
	10,874,392	1,747,459	(81,276)	12,540,575

The net designations include transfers from the Emerging Needs Fund (£7,583,719) and the Generalate Fund (£2,026,472) which have both been added to the Solidarity Fund (£9,610,191).

The **Chapter Fund** comprises amounts designated to cover the costs of the next General Chapter of the worldwide Congregation of the Daughter of the Cross of Liege, which is due to take place in May 2024 and for which the trustees expect to grant funds.

The **Entraide Fund** comprises monies designated for help for the poor around the world. This money was donated by Entraide Internationale ASBL, a charity based in Belgium, the aim of which was to help the poor and the trustees have designated this fund to carry on the work of that charity. The funds are invested and the annual income arising on them will be regularly, usually annually, donated to appropriate causes.

15 Designated funds (continued)

The **Solidarity Fund** has been designated to provide funds for situations arising within the worldwide Congregation where financial resources may be needed. These situations may be routine or emergency in nature, issues causing concern currently, or situations where there are concerns for the future and where the Charity may be called on to consider providing assistance. During the year under review, the Emerging Needs Fund and the Generalate Fund were incorporated into the Solidarity Fund. The trustees have rationalised and simplified the funds and merged these three funds, Solidarity, Emerging Needs and Generalate, as their purposes are now broadly the same. The original Solidarity Fund comprised money donated by Provinces around the world.

16 Analysis of net assets between funds

	Unrestricted funds				Total 2022 £
	General fund £	Designated funds £	Restricted funds £	Endowment funds £	
Fund balances at 31 December 2022 are represented by:					
Investments	1,153,711	10,183,693	352,474	4,389,648	16,079,526
Current assets	165,403	—	6,037	—	171,441
Creditors: amounts falling due within one year	(107,828)	—	—	—	(107,829)
Creditors: amounts falling due after more than one year	(1,186,286)	—	—	—	(1,186,286)
Total net assets	25,000	10,183,693	358,511	4,389,648	14,956,852

	Unrestricted funds				Total 2021 £
	General fund Restated £	Designated funds Restated £	Restricted funds Restated £	Endowment funds £	
Fund balances at 31 December 2021 are represented by:					
Investments	1,092,586	12,279,033	400,885	4,992,547	18,765,051
Current assets	631,168	261,542	29,088	—	921,798
Creditors: amounts falling due within one year	(377,709)	—	—	—	(377,709)
Creditors: amounts falling due after more than one year	(1,321,045)	—	—	—	(1,321,045)
Total net assets	25,000	12,540,575	429,973	4,992,547	17,988,095

Notes to the financial statements 31 December 2022

16 Analysis of net assets between funds (continued)

The total unrealised gains as at 31 December 2022 constitutes movements on revaluation of listed investments and are as follows:

	2022 £	2021 Restated £
Total unrealised gains included above:		
On listed investments	6,774,484	8,954,123
Reconciliation of movements in unrealised gains		
Unrealised gains at 1 January 2022	8,954,123	6,753,914
Unrealised (losses) gains arising in year	(1,944,508)	2,392,705
Net realised (gains) on disposal	(235,131)	(192,496)
Total unrealised gains at 31 December 2022	6,774,484	8,954,123

17 Related party transactions

Worldwide Congregation

The majority of trustees are members of the worldwide Congregation of the Daughters of the Cross of Liege. Grants may be made to any part of the Congregation from time to time.

18 Prior Period Adjustment

The Congregation of the Daughters of the Cross International holds its investment portfolio across income generating units and units which provide capital accumulation. The accounting treatment for the accumulation units has been analysed in the year to 31 December 2022 to better reflect the substance of the underlying transactions, resulting in the accumulation element being recognised entirely within gains and losses on the investment portfolio, where a proportion was previously identified as income. The figures to 31 December 2021 have been restated to reflect the same treatment.

The restatement has decreased the 2021 investment income recognised to £127,859 (2021 accounts - £445,477), decreasing the 2021 surplus before investment gains to £42,753 (2021 accounts £360,371). It has increased the gain across the unrestricted and designated funds to £1,619,235 (2021 accounts - £1,308,904) and in the restricted fund to £50,607 (2021 accounts £43,240). The fund totals at the 31 December 2021 and 31 December 2022 are unaffected by this adjustment.

CONGREGATION OF THE DAUGHTERS OF THE CROSS INTERNATIONAL

England & Wales - Charity number 1142490

Accounts

**Congregation Of The
Daughters Of The Cross
International**

**Annual Report and Financial
Statements**

31 December 2021

**Company Limited by Guarantee
Registration Number 07565399 (England and Wales)**

Charity Registration Number 1142490

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Reference and administrative information

Trustees	Sister Pushpa Purathur (Superior General) Sister Mary McLaughlin Sister Maureen O'Brien Sister Valerie Miranda Peter Cousins FCA (appointed 3 September 2021) Sister Zeenat Shangara (resigned 9 th September 2021)
Bursar General	Sister Josephine Rozario
Secretary General	Sister Flavia Cerejo
Registered office	C/O Buzzacott LLP 130 Wood Street London EC2V 6DL
Company registration number	07565399 (England and Wales)
Charity registration number	1142490
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	NatWest Bank plc 38 Strand London WC2H 5JB
Solicitors	Stone King LLP Broad Quay House Bristol BS1 4DJ

Trustees' report 31 December 2021

The trustees present their statutory report (which also constitutes a directors' report for the purposes of company law) together with the financial statements of the Congregation Of The Daughters Of The Cross International (the "Charity") for the year ended 31 December 2021.

The financial statements have been prepared in accordance with the accounting policies set out on pages 25 to 27 of the attached financial statements and comply with the Charity's Memorandum and Articles of Association, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Charitable objectives and activities

The Congregation of the Daughters of the Cross of Liege ("the Congregation"), is a Roman Catholic Religious Congregation founded in 1833 in Liege, Belgium. The Congregation's principal objectives set out in its Constitution are to advance religion and other charitable work, in particular the relief of poverty and the support of those on the margins of society.

Within the Congregation worldwide there are seven Provinces, one Region, one Sub-Region and one House under the Generalate, which is the Central Government of the organisation. The Generalate comprises the Superior General and her Council, and the Superior General with three members of the Council are trustees of the Charity. The Generalate is based in Rome, Italy and as at 31st December 2021 there were 699 Sisters (2020: 735) within the Congregation living and working around the world. The Superior General is responsible to the Holy See in Rome, Italy.

The Charity was established, and its object, is to advance religion for the benefit of the public, in particular, by supporting the charitable works carried out or supported around the world by members of the Congregation and by the formation and training of the members of the Congregation.

Until 9 September 2021 the Generalate was based in England and the Charity provided the legal framework for the Generalate and its Sisters to follow their calling and to meet the obligations set out in their own Constitution. The Charity and the Generalate were therefore treated as effectively one organisation. With the move to Rome, the two organisations have re-adopted their own legal and administrative independence. As part of this reorganisation, the name of the Charity was changed to remove the word 'Generalate', and this took effect on 12 May 2022.

Charitable objectives and activities (continued)

From 9th September 2021 onwards, the Charity has met, and will continue to meet, its object by making grants in the following ways:

- ◆ To finance the Generalate and its support Community in Rome.
- ◆ To support the Sisters and their activities in providing for beneficiaries by funding their work and the projects which enhance it.
- ◆ To relieve poverty, distress and suffering among the world's deprived and needy people by way of grant funding, either through the Sisters' work or directly.

The Congregation is deeply rooted in the Paschal mystery of the Passion, Death and Resurrection of Jesus Christ and built on its tradition of care, support and compassion for those who are weakest and most vulnerable in our world, the Congregation continues to work in countries where people are living in poverty and on the margins of society. The founder of the Congregation, Blessed Marie Therese and co-founder, Cannon Habets, established social care, nursing and education as priorities in the Congregation but "excluded no work of mercy" and the Sisters and their co-workers continue to be committed to the work of general and special education, the care of the sick, social and pastoral work, the empowerment of women and girls, especially in countries where they experience oppression, and the relief of poverty and suffering.

The Generalate, and the Sisters in leadership positions, continue to explore ways of fulfilling their objects in the face of the continuing challenges of their increasing age profile and the decline in the number of Sisters, especially in the Western Provinces.

The principal activities of the Generalate cover the following:

- ◆ support of the work of the Sisters themselves;
- ◆ support of the worldwide Congregation; and
- ◆ support of co-workers, volunteers and associates of the Congregation.

In setting their plans and priorities, the Trustees follow the guidance of the Charity Commission on the provision of public benefit and they consider how their activities will contribute to meeting their charitable objectives. The Congregation focuses on services which deliver the greatest impact to the most vulnerable children and adults in the countries where they are established, whether by way of direct expenditure or by grants and donations. They clearly identify and monitor the progress of these services.

Charitable objectives and activities (continued)

In mission areas (these are generally in developing countries or in remote areas of established countries) the Sisters set up training programmes which enable the people they are involved with to become as self-sufficient as possible. The Sisters strive always to offer assistance by investing in projects that give people the support and skills they need to turn their life around. In India and Pakistan, the Sisters have also set up centres of excellence in the field of education, medical and nurse training facilities, as well as care centres offering social-work support and a caring supportive environment for the disadvantaged and marginalized in society.

The Congregation upholds the common commitment to safeguarding as an integral part of the life and ministry of all its members and this is reflected in its commitment to the safeguarding of children, young people and adults who may be at risk. The Congregation's policies and procedures are reviewed and updated as necessary. In all the countries where the Congregation is established the Sisters, their staff, and volunteers adhere to the guidelines of the Catholic Church and to the national guidelines in those countries.

In the different Provinces, Regions and Sub Regions of the Congregation, those in leadership positions aim to ensure that all policies and procedures are in place to enable the safe management of its operations and the safety of all to whom the Congregation is offering a service.

The Generalate's on-going objectives are set at each General Chapter which takes place every six years. During the year the Charity's objective was to continue with a full programme of support to the Congregation, and to support the Generalate's objective of working towards fulfilling the objectives set at the General Chapter in May 2018. The next General Chapter will take place in 2024.

Training

Trustees keep up to date in various ways – by seeking advice from their advisors, by attending courses and events, and by meeting other professionals in the areas of Safeguarding, Health and Safety and related matters.

New Trustees are given the opportunity to attend workshops and training to ensure that they have the relevant skills and knowledge to fulfil their role as trustees of the Charity.

The Generalate and the Sisters in leadership positions in the Provinces keep updated on the changing regulations and legislation within their countries, by attending workshops and courses, especially on Safeguarding and Health and Safety. They also set up relevant Policies and Procedures as required by civil authorities in that country.

Trustees' meetings

Until 9 September 2021 when the trustees and the Generalate members were the same, they would meet 5 or 6 times a year. With the changes, and the need for the majority of the meetings to be in England, the plan is to meet face to face twice a year, and to meet online once a year.

Charitable objectives and activities (continued)

General Finance Advisory Committee

The General Finance Advisory Committee is an advisory committee set up to support and advise the Charity and the Generalate on its financial affairs, meeting bi-annually. General Finance Advisory Committee meetings took place in March 2021 and November 2021; both were held online due to the Coronavirus situation. These Committee meetings will be co-ordinated with trustees' meetings.

Generalate Visits and Meetings

The Generalate team support the worldwide Congregation by: canonical visitations; monitoring projects and activities throughout the year; organising National and International meetings, conferences and workshops which bring many of the Congregation's members together several times a year; facilitating and promoting communication and dialogue at all levels throughout the Congregation. Spiritual input plays an important part in these meetings and trained spiritual facilitators are present to provide guidance and support. Sisters and their co-workers keep up to date in their professional practice ensuring that a culture of "best practice" is maintained in all of their establishments. This is verified by the excellent reports received from social services, health and educational authorities.

During their term of office, the Superior General and her Council carry out a programme of pastoral and canonical visitations of the Provinces. These visits give them the opportunity to assess and monitor the work of the Congregation in that particular region, which is reported to the trustees. In developing countries, there is sometimes the need to expand the work or establish new missions or, occasionally, to hand over to a local charity which has the necessary skills to carry on the work without the support of the Sisters.

In the developing countries where the Congregation is attracting new vocations, the visits of the Superior General can be an important event and a time to celebrate the achievements of the new Communities and the initiation of new members into the Congregation.

Achievements and performance

Formation and training

Ongoing religious formation for all the Sisters regardless of age, is important in what has become a mainly secular society. Formation and training of the young Sisters for full membership of the Congregation and for professional qualifications remains a high priority. Natural aptitude and ability, as well as the needs of the Mission of the Congregation, are taken into consideration when preparing the young Sisters for their future roles in the Congregation.

Spirituality courses are also essential for the developing of Sisters in their religious commitment and to enable them to respond to the challenges in living out their own commitment and in forming others in the Charism of the Congregation.

Professional training and qualification in all the areas that the Sisters are engaged in, has become even more important as they work alongside highly qualified and competent lay colleagues.

Achievements and performance (continued)

Formation and training (continued)

Training for leadership amongst the younger Sisters remains a priority in the Congregation and each year courses are identified which will enable them to gain qualifications and experience to take up senior positions within the Congregation.

Report by the Generalate

Set out below are reports on the activities carried out by the Generalate and the worldwide Congregation.

Ministry is always a partnership with God. This partnership has taken on many different forms during this past year. As Provinces, Communities and individual Sisters have explored ways in which they can continue their ministry whilst keeping themselves and others safe, and complying with the restrictions imposed on them due to the Coronavirus infection. Throughout this global pandemic, the need for a new vision of how we live in our world is emerging and it is forcing us to rethink our priorities and reminds us of what matters most in our lives as religious Sisters with a Charism to serve the poorest and most needy in society. Pope Francis reminds us that:

"Today, amid so much darkness, we need to see the light of hope and to be men and women who bring hope to others. To protect creation, to protect every man, woman and child, to look upon them with tenderness and love, is to open up a new horizon of hope."

Just as pandemics know no borders, neither then should our compassion and capacity to reach out unconditionally to all. This worldwide disease shows us that in all areas of our life we must recognise that there will be deep concerns and anxiety within our communities, within our families and amongst our friends and the people we are missioned to serve.

Despite the pandemic, there are positive things happening in our world. The theme for the upcoming synod in the Catholic Church across the world focuses on Communion, Participation and Mission. The synod, which spans the years between 2021 and 2023, will give everyone in the Church the opportunity to have an involvement at every level in the process. It is hoped that it will bring greater empathy amongst our Church Communities and a willingness to listen and learn from each other on our faith journey.

On the political front, global concern especially over climate change and the future of our planet, has been the driving force behind two of the most important events of 2021: COP26 in Scotland and the G20 meetings in Rome. Our own Constitution, although written some years ago, was well ahead of its time reminding us as it does, that:

Creation is God's gift to us for which we have a duty of care and a responsibility to protect and safeguard it for all especially the poorest and most vulnerable in our society and for future generations. (based on Constitutions number 11)

Report by the Generalate (continued)

Our Communities across several countries and continents strive to provide programmes, and activities, to help increase people's awareness of the interconnectedness of all creation and the integral role they play to be beacons of hope in our evolving world. Sisters throughout the Congregation join with like-minded people to support movements for justice, peace and care of the earth.

Cameroun

Even before Covid-19, Cameroun had been experiencing various ups and downs that had weakened its economy, especially the security crises in the North-West and South-West regions.

These active conflicts involving both Boko Haram in the extreme north and Anglophone separatists in the South-West threaten the security of millions of people in Cameroun.

Religious groups are especially at risk and our convent has been targeted resulting in bullets penetrating through the walls of the Sisters' dining room. Thankfully no one was hurt on this occasion but when the neighbourhood was attacked in 2020 one of the Sisters sustained a head injury needing hospital treatment.

Discrimination against Anglophone Camerounians and individuals from certain ethnic groups, including the Bamiléké, is common. The French language is imposed in Anglophone regions, and Anglophone Camerounians are frequently denied senior jobs in the civil service.

During times of intense conflict, the Sisters are advised to stay indoors and there is often very strict curfew imposed on everyone. This can be very frustrating for the Sisters who want to get on with their missionary activities and especially with their work with women and girls. Despite all of the upheaval and political unrest in the country, religious vocations are flourishing, and we continue to have young women come forward to join the Congregation. Several are now involved in professional training courses and others in religious formation training programmes.

The rich soil and pleasant climate in South-West of Cameroun is ideal for farming. Sisters have been able to get their college in the north of the country up and running again which will enable the local young people to acquire the necessary training and qualifications to get employment and build a future for themselves.

While Catholic faith is the cornerstone of the college, it welcome students from all faith traditions and none. Daily exposure to the faith-based mission and a caring culture enables students to learn about the Catholic faith. Through the lens of Catholic social teaching, students are encouraged to respect people of all faiths and none.

Achievements and performance (continued)

Cameroun (continued)

Covid-19 has had a devastating impact on many aspects of life for people in the developing world, but it has particularly exacerbated the already steep challenges and inequalities faced by adolescent girls trying to access education. With most schools closed temporarily around the world, many girls faced the danger of permanently dropping out of school. Sisters in the Cameroun mission have worked tirelessly to keep the educational facilities open and to ensure that educational programmes continue for all young people, especially girls and young women.

The Western Provinces (Belgium, Germany and England)

The Western Provinces, in line with their forward planning strategy, have been handing over most of their main works to lay management for a number of years. Although the majority have been transferred, the Sisters continue to serve as trustees on some of the newly-formed trusts and they still maintain a community presence on some of the sites, offering advice and support to the new trustees and their boards of management. With over a hundred years of Sisters' involvement in the running of educational establishments for both general and special needs students, and a long history of general and neurological nursing experiences, as well as running residential care homes for children and adults, they continue to have much to offer to the new trustees and their management committees and their presence ensures that the ethos and values of the Congregation are handed on.

The retired Sisters also continue to have an involvement in social and pastoral work, including chaplaincy work in hospitals, and hospices' healing ministry, counselling, visiting the sick and housebound and supporting the various groups of the Associates of the Daughters of the Cross around the world. All this work is undertaken on a voluntary basis.

Although the number of Sisters in the European Provinces is decreasing and most Provinces no longer have works which would provide income to support their communities, their bursars and senior financial managers have invested well over the years in most Provinces and ensured that there are sufficient funds to meet the ongoing needs of the Sisters.

Brazil

The small community of Sisters in Brazil continue to have an active involvement in a number of works including general and special needs education, craft and other creative work with young people with special needs, nursing and social work amongst the slums and prison visiting. The special needs' group generally have limited opportunities in the world of work or of ongoing education. Due to Covid-19, Sisters have been less involved in a hands-on capacity in recent months, but they continue to keep in touch with people by electronic means and their support is greatly appreciated by the people.

Achievements and performance (continued)

Pakistan

The Daughters of the Cross in Pakistan enjoy a rich tradition of excellence in education from primary level to college students' level. The Sisters also run special classes for street children. This project has very little government funding and is dependent on the voluntary work of the Sisters and their helpers. The Sisters and some of their volunteer workers set up these classes after their normal days' work in the schools. The onsite college supports this project financially and because of the educational opportunities that this gives to these children, many can be placed in mainstream education or into vocational training programmes, which enables them to improve their lifestyle and to overcome many of the disadvantages that they live with daily.

Although the focus in Pakistan has always been on education, the Sisters are also involved in nursing and social work and especially in the support of orphans and children from broken homes, for whom they run residential care homes. They work with these young people to build up their confidence and to get them involved in the mainstream of education, so that they can compete with their peer groups on an equal level. Where families have experienced serious breakdowns, sometimes through the death or desertion of one of the parents, every effort is made to keep the children together so that they have the emotional support of their siblings.

Although Christianity is a minority religion in Pakistan, the Sisters continue to welcome young women who come forward each year to join the Congregation. They join other young Religious for their formation programmes in religious life and if not already holding a professional qualification, they are given appropriate training according to their ability and aptitude.

Within the communities in Pakistan there have been a number of moves of the Sisters to better facilitate the work they are doing and to introduce young Sisters to the apostolic works and the mission of the Congregation in Pakistan.

The political situation in Pakistan is such that the minority Christian groups are often targeted, and many have been murdered. However, the Sisters are generally respected by all political parties because of the work they do, especially in the field of education.

The Three Indian Provinces (Bombay, Calcutta and Rourkela)

As a result of Covid-19 we saw 2021 having life-changing consequences and the realisation of valuable lessons that we would never have learned otherwise.

Many Sisters in all three provinces were infected with Covid but happily all recovered, except one young promising Sister in leadership in the Calcutta Province. Her departure was an immense loss. The controversy on the efficacy and purpose of the vaccine continued and this added to the apprehension and confusion in the minds of many.

Achievements and performance (continued)

The Three Indian Provinces (Bombay, Calcutta and Rourkela) (continued)

Being midway between the two General Chapters, there was some change in leadership in the Provinces. Efforts were made to maintain the morale of the Sisters. Retreats and spiritual courses were organised online as well, with persons coming together where possible. Formation programmes were also conducted in a similar manner.

While communities faced challenges, they did not turn inward. Providing food and other basic amenities for the deprived in the city and the rural areas, Sisters joined the relief works in collaboration with medical and social groups. New ventures too materialised and the Sisters' efforts were well appreciated.

Our hospitals were involved in Covid testing and treating Covid patients, at the risk of their lives, that of the Sisters, staff and their families. Despite the staggering of activities everywhere, Calcutta Province secured the government recognition for the advanced degree course in their School of Nursing in their existing Hospital. The construction of another hospital continues steadily. Bombay Province is also forging ahead to expand its facilities at St Elizabeth's Hospital with a new wing with modern equipment and more facilities.

Restraint in the areas of finance and administration continues, calling for a close study of laws and regulations and the need for guidance from experts in the relevant fields. In the realm of education, directives from the Government on the appointments and transfers of principals, teachers and staff are on the increase. Schools are doing their best within the constraints of online education.

Financial review

Results for the year

The Charity has a strong commitment to exhibit good stewardship over all of its resources. Expenditure has principally been incurred in supporting the Generalate.

A summary of the year's results is given on page 21 of the financial statements.

Total income for the year was £490,501 (2020 – £436,768). In the main, this comprised income earned on the Charity's investments of £445,550 (2020 – £387,849) and contributions received from the various Provinces within the worldwide Congregation of £42,963 (2020 – £48,919).

Total expenditure for the year was £130,130 (2020 – £173,558), which has been reduced by the write back of part of a donation amounting to £53,964 which had been committed to be paid to the Brazil Region for building a property, which was not needed in full. Without this write back, the total expenditure was £184,094. Expenditure has principally been incurred in connection with the funding of the Generalate. The total reflects direct expenditure to 9 September 2021 (when the Generalate moved to Rome) and grants thereafter. Other expenditure related to Other Grants and Donations and Support cost.

Financial review (continued)

Results for the year (continued)

The net surplus for the year before investment gains was therefore £360,371 (2020 – net surplus of £263,210). It is the nature of the funding required by the Generalate for the support of the worldwide Congregation, that large expenditure is required from time to time and therefore surpluses are generated to fund that intermittent expenditure.

Investment policy and performance

Investments have been placed in ethical multi-asset unitised funds with two investment managers and take into account Catholic social teaching. These investment managers are CCLA Fund Managers Limited, with investment in COIF Charities Ethical Investment Fund, and BlackRock Fund Managers Limited, with investment in BlackRock Catholic Charities Growth & Income Fund.

The Charity's investment objectives are to achieve capital growth in the longer term, say five to ten years, to preserve the capital value in real terms and to generate a growing income over time. Income is withdrawn for the Charity's costs where needed.

The investment manager's results are reviewed twice each year at the Charity's General Finance Advisory Committee meetings. Representatives of the investment managers are invited to attend one of these meetings each year.

Stock Markets have had strong growth again this year. The net investment gains for the year were £1,891,728 (2020 – gains of £844,794). The market value of investments at 31 December 2021 was £18,765,051 (2020 – £17,170,654). Of this, £1,092,586 (2020 – £1,735,873) relates to funds held for two (2020 – three) Provinces in the worldwide Congregation. Details of the movements are given in note 11 to these financial statements.

Since the year-end, global markets have been affected by the Russian invasion of Ukraine and by the threat of growing inflation and therefore investment values have fallen by between 5% and 10%.

Reserves policy and financial position

The trustees' policy relating to funds is to designate amounts for specific purposes where there is an obvious or potential need, whilst maintaining adequate free reserves. These free reserves are the General Fund which represents the working capital requirements of the Charity.

Designated funds comprise an Emerging Needs fund, a Generalate fund, a Solitary fund, a Chapter fund and an Entraide fund.

The Emerging Needs Fund has been designated to provide funds for situations arising within the worldwide Congregation where financial resources may be needed, whether these situations are routine or emergency in nature. The trustees do not have an indication of when these funds will be expended, as by the nature of the fund, expenditure cannot be predicted with accuracy.

Financial review (continued)

***Reserves policy and financial position* (continued)**

The Generalate Fund has been designated to secure the long-term funding of the Generalate. The fund is reviewed each year to ensure that the income generated from the fund is sufficient to meet the grants payable by the Charity to cover the day-to-day running costs of the Generalate.

All designated funds are invested or held in cash at the balance sheet date.

Free reserves at 31 December 2021 amount to £25,000 (2020 – £25,000) which the trustees consider to be in line with the reserves policy.

Plans for future periods

The Charity will continue to fund the Generalate and do what it can to support the Generalate in continuing with the objectives set out at its General Chapter in May 2018.

Canonical visitations by the Superior General and the General Councillors, supported by the Charity, are planned for the future but continue to be curtailed by difficulties arising from the Coronavirus outbreak.

The Emerging Needs fund will continue to be used for supporting projects over the coming year and it is likely that projects in Cameroun and Germany will be the focus of the year ahead.

Principal risks and uncertainties

The trustees have assessed the major risk to which the Charity is exposed and they have put procedures in place to mitigate them as far as possible. The principal risk is volatility and/or radical change within global financial markets, which could result in investment values and income being insufficient to meet the Congregation's projects which the trustees would wish to support.

Risks are mitigated by using two investment managers, by investing in multi-asset unitised funds, by meeting the investment managers every year and by considering the Charity's investments twice a year at the General Finance Advisory Committee meetings.

Fundraising

The Charity does not solicit donations from the general public and therefore does not work with any commercial or professional fundraisers.

Structure, governance and management

Constitution

The Congregation of The Daughters of The Cross International was incorporated as a company limited by guarantee on 15 March 2011 (Registration Number 07565399) and registered as a charity on 20 June 2011 (Charity Registration Number 1142490). The charitable company is governed by its Articles of Association. The Charity was formerly known as "The Daughters of The Cross International Generalate" and the name of the Charity was changed 12 May 2022.

Trustees

The trustees constitute directors of the company for the purposes of company law and trustees of the Charity for the purposes of charity legislation. The following trustees were in office as at 31 December 2021 and served during the year as shown:

Trustee	Appointed / Resigned
Sister Pushpa Purathur (Superior General)	
Sister Mary McLaughlin	
Sister Maureen O'Brien	
Sister Valerie Miranda	
Peter Cousins	Appointed 3 rd September 2021
Sister Zeenat Shangara	Resigned 9 th September 2021

During 2021, the Charity's Articles of Association were amended to provide that there shall be between four and seven (previously between three and six) trustees, and at all times the majority of the Trustees must be members of the Congregation (previously the Superior General and her Council were the trustees of the Charity). The Articles also require that the majority of trustee meetings are held in England.

Until 3rd September 2021, all trustees were Sisters of the Congregation Of The Daughters Of The Cross of Liege, at which date a lay trustee was appointed.

Statement of trustees' responsibilities

The trustees 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;

Structure, governance and management (continued)

Statement of trustees' responsibilities (continued)

- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102); the Statement of Recommended Practice (Accounting and Reporting by Charities) (the Charities' SORP);
- ◆ 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 proper 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees confirms that:

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

Key management personnel

The management of the Charity throughout the year, in charge of directing, controlling and running the Charity on a day-to-day basis comprised the Sister Trustees and the Bursar General of the Congregation, who the trustees consider were the key management personnel.

During 2021, the Sister trustees and the Bursar General were all members of the Congregation and whilst their living and personal expenses are effectively borne by the Charity, they receive no remuneration or reimbursement of expenses in connection with their duties to the Charity.

Related Parties

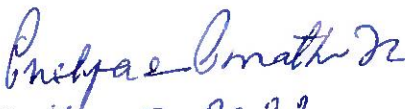
Worldwide Congregation

The Generalate and the Sisters are part of the worldwide Congregation of the Daughters of the Cross of Liege. Grants are made by the Charity to Provinces and to other Sisters of the Congregation around the world from time to time.

English Charity

Until 9th September 2021, the Charity occupied a property owned by the English Province Charity (Charity number: 1068661), St Joseph's Convent at Cheam, Surrey. The property had been extensively refurbished by the English Charity and the Charity had been granted a lease of the building at a nominal rent. The property provided both living and office accommodation for the Generalate and support Sisters, who were members of the English Province and whose personal expenses were met by the English Charity. The property reverted to the English Province Charity in September 2021.

Approved by the trustees and signed on their behalf by:

Trustee: 
Approved on: 16-08-2022

Independent auditor's report 31 December 2021

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

Opinion

We have audited the financial statements of the Congregation of The Daughters of The Cross International for the year ended 31 December 2021 which comprise the statement of financial activities, the comparative statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the related notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland.

In our opinion the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matter 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, 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, 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 charity and its environment obtained in the course of the audit, we have identified no material misstatements in the trustees' report. We have nothing to report in respect of the following matters where 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; or

Matters on which we are required to report by exception (continued)

- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the trustees' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

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.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the Senior Statutory Auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations; and

Auditor's responsibilities for the audit of the financial statements (continued)

- ◆ we obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011).

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management 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 unusual or unexpected relationships;
- ◆ carried out substantive testing of expenditure including the authorisation thereof;
- ◆ reviewed journal entries to identify unusual transactions and substantiated these where appropriate; and
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ review of the minutes of meetings of those charged with governance; and
- ◆ enquiring of management as to actual and potential litigation and claims.

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.

Independent auditor's report 31 December 2021

Auditor's responsibilities for the audit of the financial statements (continued)

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Edward Finch, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

6 September 2022

Statement of financial activities (incorporating an income and expenditure account)
Year to 31 December 2021

	Notes	Unrestricted funds £	Restricted funds £	Endowment fund £	Total funds 2021 £
Income and expenditure					
Income from:					
Donations	1	42,963	—	—	42,963
Investments	2	435,365	10,185	—	445,550
Other	3	1,763	225	—	1,988
Total income		480,091	10,410	—	490,501
Expenditure on charitable activities:					
Funding Generalate	4	116,173	—	—	116,173
Grants and donations	5	(34,704)	7,318	—	(27,386)
Support costs	6	41,343	—	—	41,343
Total expenditure		122,812	7,318	—	130,130
Net income (expenditure) before net investment gains		357,279	3,092	—	360,371
Net gains on the revaluation and disposal of listed investments	11	1,308,904	43,320	539,504	1,891,728
Net income and net movement in funds	7	1,666,183	46,412	539,504	2,252,099
Reconciliation of funds					
Total funds brought forward at 1 January 2021		10,899,392	383,561	4,453,043	15,735,996
Total funds carried forward at 31 December 2021		12,565,575	429,973	4,992,547	17,988,095

All recognised gains and losses are included in the above statement of financial activities.

All of the charity's activities derived from continuing operations during the above financial period.

Comparative statement of financial activities Year to 31 December 2020

	Notes	Unrestricted funds £	Restricted funds £	Endowment fund £	Total funds 2020 £
<i>Income and expenditure</i>					
<i>Income from:</i>					
Donations	1	48,919	—	—	48,919
Investments	2	378,857	8,992	—	387,849
Other	3	—	—	—	—
Total income		427,776	8,992	—	436,768
<i>Expenditure on:</i>					
Funding Generalate	4	112,254	—	—	112,254
Grants and donations		22,239	10,012	—	32,251
Support costs		29,053	—	—	29,053
Total expenditure		163,546	10,012	—	173,558
<i>Net income (expenditure) before net investment gains</i>		264,230	(1,020)	—	263,210
<i>Net gains on the revaluation and disposal of listed investments</i>	11	584,608	18,850	241,336	844,794
Net income and net movement in funds	7	848,838	17,830	241,336	1,108,004
<i>Reconciliation of funds</i>					
<i>Total funds brought forward at 1 January 2020</i>		10,050,554	365,731	4,211,707	14,627,992
Total funds carried forward at 31 December 2020		10,899,392	383,561	4,453,043	15,735,996

All recognised gains and losses are included in the above statement of financial activities.

All of the charity's activities derived from continuing operations during the above financial period.

Balance sheet 31 December 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Investments	11		18,765,051		17,170,654
Current assets					
Debtors	12	30,615		13,772	
Cash at bank and in hand		891,183		557,847	
		921,798		571,619	
Creditors: amounts falling due within one year	13	(377,709)		(191,267)	
Net current assets			544,089		380,352
Total assets less current liabilities			19,309,140		17,551,006
Creditors: amounts falling due after more than one year	14		(1,321,045)		(1,815,010)
Total net assets			17,988,095		15,735,996
The funds of the charity					
Restricted funds	15		429,973		383,561
Endowment fund	16		4,992,547		4,453,043
Unrestricted funds					
. Designated funds	17				
.. Chapter fund		79,011		39,868	
.. Entraide fund		437,443		391,269	
.. Emerging Needs fund		9,575,531		8,567,641	
.. Solidarity fund		98,590		85,614	
.. Generalate fund		2,350,000		1,790,000	
			12,540,575		10,874,392
. General funds			25,000		25,000
			17,988,095		15,735,996

Approved by the trustees of the Congregation Of The Daughters Of The Cross International, Company Registration Number 07565399 (England and Wales), and signed on their behalf by:

Trustee: 

Approved on: 16-08-2022

Statement of Cashflows 31 December 2021

	Notes	2021 £	2020 £
Cash (outflow) from operating activities:			
Net cash used provided by operating activities	A	(567,666)	(207,497)
Cash inflow from investing activities:			
Dividends and interest from investments		445,550	387,849
Net disposal (purchase) of investments		454,384	(307,432)
Net cash used in investing activities		899,934	80,417
Change in cash and cash equivalents in the year		332,268	(127,080)
Cash and cash equivalents at 1 January 2021	B	557,847	687,289
Change in cash and cash equivalents due to exchange rate movements		1,068	(2,362)
Cash and cash equivalents at 31 December 2021		891,183	557,847

Notes to the statement of cash flows for the year to 31 December 2021.

A Reconciliation of net income to net cash provided by operating activities

	2021 £	2020 £
Net income (as per the statement of financial activities)	2,252,099	1,108,004
Adjustments for:		
Gains on investments	(2,048,781)	(940,168)
Dividends and interest from investments	(445,550)	(387,849)
Foreign exchange (gain) loss	(1,068)	2,362
(Increase) decrease in debtors	(16,843)	364
(Decrease) increase in creditors	(307,523)	9,790
Net cash used provided by operating activities	(567,666)	(207,497)

B Analysis of cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	891,183	557,847
Total cash and cash equivalents	891,183	557,847

No separate reconciliation of net debt has been prepared as there is no difference between the net cash (debt) of the charity and the above cash and cash equivalent

Principal Accounting Policies 31 December 2021

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are set out below.

Basis of preparation

These financial statements have been prepared for the year to 31 December 2021 with comparative information in respect to the year ended 31 December 2020.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the trustees and management to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include:

- ◆ the allocation of amounts held on behalf of parts of the worldwide Congregation of the Daughters of the Cross of Liege between short and long term creditors; and
- ◆ the assumptions adopted in determining the value of any designations required from the charity's general unrestricted funds.

Assessment of going concern

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

The trustees of the Charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The trustees are of the opinion that the Charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above.

Principal Accounting Policies 31 December 2021

Assessment of going concern (continued)

With regard to the next accounting period, the year ending 31 December 2022, the most significant areas that affect the carrying value of the assets held by the Charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the trustees' report for more information), particularly in the light of the impact of inflation and the conflict in Ukraine.

Income

Income is recognised in the period in which the Charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income mainly comprises income from investments and donations received (principally, during 2021, the contributions received from the various Provinces within the worldwide Congregation).

In accordance with the Charities SORP FRS 102 volunteer time is not recognised. For the purposes of these accounts, no value has been placed on administrative and other services provided by members of the Congregation.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and all expenses are allocated to the applicable expenditure headings. The majority of expenditure is directly attributable and any apportionment between headings is negligible. The classification between activities is as follows:

- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the Charity through the provision of its charitable activities. Until 9 September 2021, this includes the costs of supporting the Sisters under the care of the Charity, expenditure on the upkeep of the property occupied by the Charity and governance costs. After that date, all expenditure is by way of grants.

Governance costs comprise the costs involving the public accountability of the Charity (including audit costs) and costs in respect of its compliance with regulation and good practice.

All expenditure is stated inclusive of irrecoverable VAT.

Investments

Listed investments are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

Investments (continued)

The Charity only holds units in quoted unitised funds.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and in hand represents such accounts that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year are disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

Creditors and provisions

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

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the net movement in funds.

Fund structure

General funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the Charity's charitable objects.

Designated funds comprise monies set aside out of unrestricted general funds for specific future purposes or projects.

Restricted funds represent donations received for which the donor has prescribed how these donations may be used, and these monies are only used for those specified charitable purposes.

Endowment funds comprise monies which must be invested and held as capital. Income therefrom is credited to general funds and applied for general purposes unless under the terms of the endowment such income must be used for specific purposes in which case it is credited to restricted funds.

Notes to the financial statements 31 December 2021

1 Income from donations

	Unrestricted funds £	Restricted funds £	2021 Total £	Unrestricted funds £	Restricted funds £	2020 Total £
Contributions from Provinces	42,713	—	42,713	45,262	—	45,262
Other donations	250	—	250	3,657	—	3,657
Total funds	42,963	—	42,963	48,919	—	48,919

2 Income from investments

	Unrestricted funds £	Restricted funds £	2021 Total £	Unrestricted funds £	Restricted funds £	2020 Total £
Income from listed investments						
. UK equities	435,292	10,185	445,477	377,706	8,992	386,698
Bank interest	73	—	73	1,151	—	1,151
Total funds	435,365	10,185	445,550	378,857	8,992	387,849

3 Other income

	Unrestricted funds £	Restricted funds £	2021 Total £	Unrestricted funds £	Restricted funds £	2020 Total £
Proceeds on sale of fixed assets	920	—	920	—	—	—
Foreign exchange gains	843	225	1,068	—	—	—
Total funds	1,763	225	1,988	—	—	—

4 Expenditure on charitable activities:

Funding Generalate

	Unrestricted funds £	Restricted funds £	2021 Total £	Unrestricted funds £	Restricted funds £	2020 Total £
Sisters' living and personal support	13,891	—	13,891	30,248	—	30,248
Property	23,370	—	23,370	17,976	—	17,976
Administration	38,764	—	38,764	58,495	—	58,495
Car costs and travel	3,384	—	3,384	5,535	—	5,535
Grant (see note 5)	36,764	—	36,764	—	—	—
Total Funding Generalate	116,173	—	116,173	112,254	—	112,254

Notes to the financial statements 31 December 2021

5 Grants and donations

	Unrestricted funds £	Restricted funds £	2021 Total £	Unrestricted funds £	Restricted funds £	2020 Total £
Patrimony fund donations	—	7,318	7,318	—	10,012	10,012
Entraide fund donations	12,659	—	12,659	8,000	—	8,000
Emerging Needs fund donation to Rourkela Province	6,100	—	6,100	10,000	—	10,000
Other donations	501	—	501	4,239	—	4,239
	19,260	7,318	26,578	22,239	—	4,239
Write back of donation to Brazil Province no longer required	(53,964)	—	(53,964)	—	—	—
Per SOFA	(34,704)	7,318	(27,386)	22,239	10,012	32,251
Grant to Generalate of the Daughters of the Cross of Liege	36,764	—	36,764	—	—	—
Total donations	2,060	7,318	9,378	22,239	10,012	32,251

6 Support Costs

	Unrestricted funds £	Restricted funds £	2021 Total £	Unrestricted funds £	Restricted funds £	2020 Total £
Administration	7,713	—	7,713	5,880	—	5,880
Governance costs	33,630	—	33,630	23,173	—	23,173
Total funds	41,343	—	41,343	29,053	—	29,053

Governance costs are made up as follows:

	2021 £	2020 £
Legal and professional fees	26,809	12,252
Auditor's remuneration	4,860	5,550
Meeting costs	1,961	5,371
	33,630	23,173

7 Net income and net movement in funds

This is stated after charging:

	2021 £	2020 £
Auditor's remuneration		
. Statutory audit services	4,860	5,550

Fees paid to the Charity's auditors for other services, which all relate to financial advice, are included in Support Costs and totalled £12,696 (2020: £nil). The total amount paid to the auditors was £17,556 (2020: £5,550).

8 Key management personnel

Until 9 September 2021, the Generalate was based in England when it moved to Rome, Italy and all trustees up to that date were members of the worldwide Congregation of the Daughters of the Cross of Liege. On 3 September 2021, the trustees appointed a lay trustee.

Notes to the financial statements 31 December 2021

8 Key management personnel (continued)

The key management personnel of the Charity throughout the year in charge of directing, controlling, and running the Charity on a day to day basis comprise the Sister trustees and the Bursar General of the Congregation.

During 2021, the Sister trustees and Bursar General were all members of the Congregation and their living and personal expenses are all effectively borne by the Charity. No trustee received any remuneration in connection with their duties to the Charity (2020 – £nil). The lay trustee was reimbursed £41 for expenses in attending meetings.

9 Taxation

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

10 Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Motor vehicles £	Total £
Cost				
At 1 January 2021	33,195	11,654	10	44,859
Disposals	(33,195)	(11,654)	(10)	(44,859)
At 31 December 2021	—	—	—	—
Depreciation				
At 1 January 2021	33,195	11,654	10	44,859
Eliminated on disposal	(33,195)	(11,654)	(10)	(44,859)
At 31 December 2021	—	—	—	—
Net book value				
At 31 December 2021	—	—	—	—
At 31 December 2020	—	—	—	—

11 Investments

	2021 £	2020 £
Listed investments		
Market value at 1 January 2021	17,170,654	15,923,054
Net additions at cost	345,616	307,432
Disposal in year	(800,000)	—
Unrealised investment gains	2,048,781	940,168
Market value at 31 December 2021	18,765,051	17,170,654
Cost of listed investments at 31 December 2021	11,038,713	11,215,644

Of the investments held at 31 December 2021 of £18,765,051 (2020 – £17,170,654) £1,092,586 (2020 – £1,735,873) relates to funds held for two (2020 – 3) Provinces of the worldwide Congregation of the Daughters of the Cross of Liege.

Notes to the financial statements 31 December 2021

11 Investments (continued)

At 31 December 2021, the investments were held as follows:

	2021 £	2020 £
Listed investments		
COIF Charities Ethical Investment Fund	10,330,537	9,269,662
BlackRock Catholic Charities Growth & Income Fund	8,434,514	7,900,992
	18,765,051	17,170,654

Net investment gains dealt with in the SOFA are made up as follows:

	2021 £	2020 £
Net investment gains on listed investments – as per above	2,048,781	940,168
Less: Other investment gains (see below)	(157,053)	(95,374)
Gains on investments assets per SOFA	1,891,728	844,794

Investments have been placed in unitised funds with two investments managers. These investment managers are CCLA Fund Managers Limited, with investment in COIF Charities Ethical Investment Fund, and BlackRock Fund Managers Limited, with investment in BlackRock Catholic Charities Growth & Income Fund.

Other investment gains of £157,053 (2020 - £95,374) represent gains in respect of investments held on behalf of parts of the worldwide Congregation of the Daughters of the Cross of Liege, hence they are not attributable to the Charity's Statement of Financial Activities for the year, and the amounts included in creditors as held on behalf of those parts are adjusted accordingly.

12 Debtors

	2021 £	2020 £
Prepayments and accrued income	29,469	13,772
Sundry debtors	1,146	—
	30,615	13,772

13 Creditors: amounts falling due within one year

	2021 £	2020 £
Expense creditors	—	9,553
Accruals and deferred income	8,699	15,914
Other creditors	2,142	—
Amounts held on behalf the Congregation of the Daughters of the Cross of Liege	366,868	165,800
	377,709	191,267

Notes to the financial statements 31 December 2021

14 Creditors: amounts falling due after more than one year

	2021 £	2020 £
Amounts held on behalf of parts of the worldwide Congregation of the Daughters of the Cross of Liege	1,321,045	1,815,010

15 Restricted funds

The funds of the Charity include the following restricted funds which have been dealt with in accordance with restrictions applied by the donors of the funds:

	At 1 January 2021 £	Income and gains on investments £	Expenditure £	At 31 December 2021 £
Patrimony Fund	359,751	53,730	(7,318)	406,163
Archives Fund	23,810	—	—	23,810
	383,561	53,730	(7,318)	429,973

	At 1 January 2020 £	Income and gains on investments £	Expenditure £	At 31 December 2020 £
Patrimony Fund	341,921	27,842	(10,012)	359,751
Archives Fund	23,810	—	—	23,810
	365,731	27,842	(10,012)	383,561

The **Patrimony Fund** represents a patrimony donated to the Charity, with the restriction that any monies donated from that fund must be spent on the day to day welfare of the poor cared for by the worldwide Congregation of the Daughters of the Cross of Liege.

The **Archives Fund** represents a donation made towards the cost of creating a comprehensive archive of all historic documents and artefacts of the worldwide Congregation of the Daughters of the Cross of Liege.

16 Endowment fund

The Endowment fund represents a £3m donation, received in 2014, the terms of which required the donation to be invested and held as an Endowment fund. The income earned on those funds may be used to support the running of the Generalate and/or to expand and enhance the mission of the worldwide Congregation of the Daughters of the Cross of Liege.

Following the third anniversary of the receipt of the donation, the trustees are also able to apply, in certain circumstances, the cumulative gains earned on the investments in accordance with the donor's wishes. The Charity has not yet applied any of these cumulative gains for any purpose.

Notes to the financial statements 31 December 2021

16 Endowment fund (continued)

Movement on the endowment fund during the year ended 31 December 2021 was as follows:

	2021 £	2020 £
Balance brought forward at 1 January 2021	4,453,043	4,211,707
Add: unrealised gains	539,504	241,336
Balance carried forward at 31 December 2021	4,992,547	4,453,043

17 Designated funds

The funds of the Charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	At 1 January 2021 £	New designations £	Released to general fund £	At 31 December 2021 £
Chapter Fund	39,868	39,143	—	79,011
Entraide Fund	391,269	58,833	(12,659)	437,443
Emerging Needs Fund	8,567,641	1,076,507	(68,617)	9,575,531
Solidarity Fund	85,614	12,976	—	98,590
Generalate Fund	1,790,000	560,000	—	2,350,000
	<u>10,874,392</u>	<u>1,747,459</u>	<u>(81,276)</u>	<u>12,540,575</u>

	At 1 January 2020 £	New designations £	Released to general fund £	At 31 December 2020 £
Chapter Fund	28,987	10,881	—	39,868
Entraide Fund	368,323	30,946	(8,000)	391,269
Emerging Needs Fund	7,689,461	926,999	(48,819)	8,567,641
Solidarity Fund	78,783	6,831	—	85,614
Generalate Fund	1,860,000	—	(70,000)	1,790,000
	<u>10,025,554</u>	<u>975,657</u>	<u>(126,819)</u>	<u>10,874,392</u>

The **Chapter Fund** comprises amounts designated to cover the costs of the next General Chapter of the worldwide Congregation of the Daughter of the Cross of Liege, which is due to take place in May 2024 and for which the trustees expect to grant funds

The **Entraide Fund** comprises monies designated for help for the poor around the world. This money was donated by Entraide Internationale ASBL, a charity based in Belgium, the aim of which was to help the poor and the trustees have designated this fund to carry on the work of that charity. The funds are invested and the annual income arising on them will be regularly, usually annually, donated to appropriate causes.

17 Designated funds (continued)

The **Emerging Needs Fund** has been designated to provide funds for situations arising within the worldwide Congregation where financial resources may be needed. These situations may be routine or emergency in nature, issues causing concern currently, or situations where there are concerns for the future and where the Charity may be called on to consider providing assistance.

The **Solidarity Fund** comprises money donated by Provinces around the world. These funds will be distributed by the trustees as they see fit, having regard to the guidance given at the Chapter, in order to meet discerned extraordinary expenses across the Congregation. This fund is long-term in nature, as recommended by the 2012 General Chapter, and the timing of expenditure cannot be accurately estimated.

The **Generalate Fund** was designated to secure the long-term funding of the costs of the Generalate of the worldwide Congregation of the Daughters of the Cross of Liege, in order to continue to support the charitable works carried out around the world by members of the Congregation, and to help fulfil the object of the Charity. The trustees consider that the value of this fund is sufficient to generate enough income, when combined with the income arising on the Restricted Income Fund, to cover all of the Generalate's day to day running expenses. The fund will be reviewed each year and further designations made as necessary.

18 Analysis of net assets between funds

	Unrestricted funds				Total 2021 £
	General fund £	Designated funds £	Restricted funds £	Endowment funds £	
Fund balances at 31 December 2021 are represented by:					
Investments	1,092,586	12,279,033	400,885	4,992,547	18,765,051
Current assets	631,168	261,542	29,088	—	921,798
Creditors: amounts falling due within one year	(377,709)	—	—	—	(377,709)
Creditors: amounts falling due after more than one year	(1,321,045)	—	—	—	(1,321,045)
Total net assets	25,000	12,540,575	429,973	4,992,547	17,988,095

	Unrestricted funds				Total 2020 £
	General fund £	Designated funds £	Restricted funds £	Endowment funds £	
Fund balances at 31 December 2020 are represented by:					
Tangible fixed assets	—	—	—	—	—
Investments	1,735,873	10,624,173	357,565	4,453,043	17,170,654
Current assets	295,404	250,219	25,996	—	571,619
Creditors: amounts falling due within one year	(191,267)	—	—	—	(191,267)
Creditors: amounts falling due after more than one year	(1,815,010)	—	—	—	(1,815,010)
Total net assets	25,000	10,874,392	383,561	4,453,043	15,735,996

Notes to the financial statements 31 December 2021

18 Analysis of net assets between funds (continued)

The total unrealised gains as at 31 December 2021 constitutes movements on revaluation of listed investments and are as follows:

	2021 £	2020 £
Total unrealised gains included above:		
On listed investments	7,846,738	5,955,010
Reconciliation of movements in unrealised gains		
Unrealised gains at 1 January 2021	5,955,010	5,014,842
Add: net gains arising on revaluation arising in the year	1,891,728	940,168
Total unrealised gains at 31 December 2021	7,846,738	5,955,010

19 Related party transactions

Worldwide Congregation

The majority of trustees are members of the worldwide Congregation of the Daughters of the Cross of Liege. Grants may be made to any part of the Congregation from time to time.

English Charity

Until September 2021, the Generalate occupied a property, known as St Joseph's Convent, Cheam, at a nominal rent owned by the charity of the English Province. On 9 September 2021, the Generalate moved to Rome, Italy.

20 Events after the reporting period

Financial commitment to the Congregation of the Daughters of the Cross of Liege

The Charity is committed to supporting the Congregation's activities around the world, in furtherance of its objectives. Due to the age profile of the Sisters, it is expected that support may be needed by the European Provinces over the next few years to help them plan their futures. The Charity is expecting that there will be a need to support Sisters financially, and related costs are expected to be incurred in 2022. These amounts cannot be quantified at present but may be material.

CONGREGATION OF THE DAUGHTERS OF THE CROSS INTERNATIONAL

England & Wales - Charity number 1142490

Accounts

**Congregation Of The
Daughters Of The Cross
International Generalate**

**Annual Report and Financial
Statements**

31 December 2020

Company Limited by Guarantee
Registration Number 07565399 (England and Wales)

Charity Registration Number 1142490

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Reference and administrative information

Trustees	Sister Pushpa Purathur (Superior General) Sister Mary McLaughlin Sister Maureen O'Brien Sister Valerie Miranda Sister Zeenat Shangara (resigned 9 th September 2021)
Bursar General	Sister Josephine Rozario
Secretary General	Sister Flavia Cerejo
Principal office	C/O Buzzacott LLP 130 Wood Street London EC2V 6DL
Company registration number	07565399 (England and Wales)
Charity registration number	1142490
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	NatWest Bank plc 38 Strand London WC2H 5JB
Solicitors	Stone King LLP Broad Quay House Bristol BS1 4DJ

The trustees present their statutory report (which also constitutes a directors' report for the purposes of company law) together with the financial statements of the Congregation Of The Daughters Of The Cross International Generalate (the "Generalate charity") for the year ended 31 December 2020.

The financial statements have been prepared in accordance with the accounting policies set out on pages 23 to 27 of the attached financial statements and comply with the charity's Memorandum and Articles of Association, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Charitable objectives and activities

The Congregation of the Daughters of the Cross of Liege ("the Congregation"), is a Roman Catholic Religious Congregation founded in 1833 in Liege, Belgium. Worldwide there are seven Provinces, one Region, two Sub-Regions and a House under the Generalate. The International Generalate (the "Generalate") is the Central Government of this organisation and governs each of these Provinces. This organisation is governed by its own Constitution and is responsible to the Holy See in Rome.

The Generalate Charity's overarching charitable object is to advance religion for the benefit of the public, in particular by supporting the charitable works carried out or supported around the world by members of the Congregation and by the formation and training of the members of the Congregation.

Deeply rooted in the Paschal mystery of the Passion, Death and Resurrection of Jesus Christ and inspired by the vision of Blessed Marie Therese who, in founding the Congregation, excluded no work of mercy and stressed that her sisters should respond to the poor and most needy in society. The Daughters of the Cross continue to be committed to the work of general and special education, the care of the sick, social and pastoral work, the empowerment of woman and girls, especially in countries where they experience oppression, and the relief of poverty and suffering.

The Charity's principal objects are set out in its trust deed and are the advancement of religion and other charitable work which include, in particular, the relief of poverty and the support of those on the margins of society. The work of the Daughters of the Cross in relieving poverty, nursing the sick, teaching in general and special education, social work and care provision for deprived children and young people, is today still inspired by the foundress Blessed Marie Therese and the original charism of the Congregation which excluded no work of mercy,

Built on its tradition of care, support and compassion for those who are weakest and most vulnerable in our world, the Congregation continues to work in countries where people are living in poverty and on the margins of society. The founder of the Congregation, Blessed Marie Therese and co-founder, Cannon Habets, established social care, nursing and education as priorities in the Congregation but "excluded no work of mercy" and the Sisters and their co-workers, inspired by this vision and the charism of the Congregation, continue to bring hope, dignity and comfort as well as practical help to those they serve.

Charitable objectives and activities (continued)

The Trustees, and the sisters in leadership positions, continue to explore ways of fulfilling the Trust's objects in the face of the continuing challenges of the increasing age profile and the decline in the number of Sisters especially in the Western Provinces.

The Congregation has a strong commitment to exhibit good stewardship over all of its resources. Through the good management of financial resources the charity has been able to carry out its mission.

At 31 December 2020 there were 735 Sisters in the Worldwide Congregation.

The principal activities of the Generalate Charity cover the following:

- ◆ support of the work of the Sisters themselves;
- ◆ support of the worldwide Congregation; and
- ◆ support of co-workers, volunteers and associates of the Congregation.

The Generalate team support the Worldwide Congregation by: canonical visitations; monitoring projects and activities throughout the year; organising National and International meetings, conferences and workshops which bring many of the Congregation's members together several times a year; facilitating and promoting communication and dialogue at all levels throughout the Congregation. Spiritual input plays an important part in these meetings and trained spiritual facilitators are present to provide guidance and support. The trustees, Sisters and their co-workers keep up to date in their professional practice ensuring that a culture of "best practice" is maintained in all of our establishments. This is verified by the excellent reports received from social services, health and educational authorities. The Trustees keep up to date by attending conferences on charity law. They meet with other professionals in the areas of Health and Safety, safeguarding of vulnerable people and related matters.

In setting their plans and priorities, the Trustees follow the guidance of the Charity Commission on the provision of public benefits and they consider how their activities will contribute to meeting the charitable objectives they have set. They focus on services which will deliver the greatest impact to the most vulnerable children and adults in the countries where they are established. They clearly identify and monitor the progress of these services.

In mission areas the Sisters set up training programmes which enable the people they are involved with to become as self-sufficient as possible. The sisters strive always to offer assistance by investing in projects that give people the support and skills they need to turn their life around. In India and Pakistan, the sisters have also set up centres of excellence in the field of education, medical and nursing training facilities as well as care centres offering social work support and a caring supportive environment for the disadvantaged and marginalized in society.

Charitable objectives and activities (continued)

The Congregation upholds the common commitment to safeguarding as an integral part of the life and ministry of all its members. This is reflected in its commitment to the safeguarding of children, young people and adults who may be at risk. The Congregation's policies and procedures are reviewed and updated as necessary and in all the countries where the Congregation is established the sisters, their staff, and volunteers adhere to the guidelines of the catholic church and to the national guidelines in the countries where the Congregation is established, as well the Congregation documents on the safeguarding of children and vulnerable adults.

In the different Provinces, Regions and Sub Regions of the Congregation, those in Leadership positions aim to ensure that all policies and procedures are in place to enable the safe management of its operations and the safety of all to whom the Congregation is offering a service.

The Generalate's on-going objectives are set at the General Chapter. During the year ended 31 December 2020, the Generalate Charity's objective was to continue with a full programme of support to the Congregation, and to work towards fulfilling the objectives set at the General Chapter in May 2018. The next General Chapter will take place in 2024.

Training

Ongoing religious formation for all the sisters regardless of age, is important in what has become a mainly secular society.

Spirituality courses are also essential for the developing of the young sisters in their religious commitment and to enable them to respond to the challenges in living out their own commitment and in Forming others in the Charism of the Congregation.

Training for leadership amongst the younger sisters remains a priority in the Congregation and each year courses are identified which will enable young sisters to gain qualification and experience to take up senior positions in the Congregation.

Trustee training

Trustees of the Generalate and the Provinces keep updated on the changing regulations and legislation within the countries where the Congregation is established, by attending workshops and courses, especially on: Safeguarding; Health and Safety; General Data Protection Regulations; setting up of relevant Policies and Procedures as required by civil authorities in the country and by the Charity Commission. New Trustees are given the opportunity to attend workshops and training to ensure that they have the relevant skills and knowledge to fulfil their role as trustees of the charity.

The Trustees provide strong leadership throughout the Congregation by following the principles enshrined in the code of Good Governance and by regular Trustee meetings at which they review their policies and procedures. Sisters who form the Generalate team are councillors and may also be Trustees of the Charity.

Charitable objectives and activities (continued)

Trustee Visits and Meetings

The Generalate team support the worldwide Congregation by: canonical visitations; monitoring projects and activities throughout the year; organising National and International meetings, conferences and workshops which bring many of the Congregation's members together several times a year: facilitating and promoting communication and dialogue at all levels throughout the Congregation. Spiritual input plays an important part in these meetings and trained spiritual facilitators are present to provide guidance and support.

During their term of office, the Superior General and her general council carry out a programme of pastoral and canonical visitations of the Provinces. These visits give them the opportunity to assess and monitor the work of the Congregation in that particular region, which is reported to the Trustees. In developing countries, there is sometimes the need to expand the work or establish new missions or, occasionally, to hand over the work to a local charity who have acquired the skills to carry on without the support of the sisters.

In the developing countries where the Congregation is attracting new vocations, the visits of the Superior General can be an important event and a time to celebrate the achievements of the new communities and the initiation of new members into the order.

Achievements and performance

Coping with the devastating effects of the pandemic

This year has, inevitably, been dominated by Covid-19. The effects of the pandemic are deep. The toll on our health, in the UK and worldwide, has been devastating. We have seen the biggest short-term contraction of the global economy for a century. And these health and economic impacts have particularly borne down on the most vulnerable in our societies, making existing inequalities worse. Charities have always been at the heart of tackling societies' most pressing challenges and in particular charities run by religious Congregations. Their role in society is hugely significant in helping those in desperate need. Like most charities the Daughters of the Cross are currently experiencing increased demands for their services particularly in third world countries.

The pandemic has caused us to make radical changes in our lifestyle, such as coping with "lockdown" for months on end and coming to terms with the death and illness of family members, community members and friends. We are however, encouraged by the stories of great courage of our sisters, in the Eastern Provinces, as they continue to offer support and help to those most badly affected especially those in our own hospitals in India. We also see on our TV screen daily how nurses, doctors and care workers across the globe are risking their own lives to administer to the sick and dying

Achievements and performance (continued)

Setting plans and priorities for the Generalate

In setting their plans and priorities the Trustees follow the guidance of the Charity Commission on the provision of public benefits and they consider how their activities will contribute to meeting the charitable objectives they have set. They focus on services which will deliver the greatest impact to the most vulnerable children and adults in the countries where they are established. They clearly identify and monitor the progress of these services. The sisters concentrate on the education of children and young people, the empowerment of women and girls and the health and social care of those who live on the margins of society. In mission areas they set up training programmes which enable the people they are involved with to become as self-sufficient as possible

Trustee Visits and Meetings during the year under review

Due to Covid - 19 the Superior General and council members have been unable to make their usual visits to the worldwide Congregation. However, With the miracle of modern technology, online meetings and internet chat apps they have been able to have regular contact with the various provinces regions and sub-regions and continue to closely monitor, support, and guide them, especially those in new mission areas or more recently established communities. National and International meetings of the Congregation will hopefully be resumed when travel restrictions are lifted. These meetings are an important point of contact between the leadership team of the Congregation and the sisters, as well as the large staff groups and service users of all our facilities. They also give the members of the Congregation the opportunity to meet each other and to be enriched by the exchange between the various cultures. The vision of the Founder is expressed in different ways according to the needs of the times and the culture of the people the sisters minister to. The spirituality and charism of the Congregation is shared with the Associates of the Cross who have members in all the countries where the Congregations is established and who are supported spirituality by the sisters with whom they have regular meetings.

Formation and Training

The formation and training of our candidates, postulants, novices, and sisters in temporary vows remains a high priority as they prepare to become full members of our Congregation. Due to the Covid 19 virus some of the training programmes have had to be postponed and online training accessed, which although not as effective as face to face teaching, has enabled the sisters to keep up to date with their courses and projects and to communicate with their formators and other young religious, so that there is a level of peer group support. Sadly, the missionary experience of living and working with the sisters in the various apostolates has had to be delayed but as restrictions are lifted these opportunities will become available again. Identifying young sisters with potential for leadership and providing the necessary training is also a priority so that they can eventually take up senior positions in the Congregation. Once their initial religious formation is completed, if not already professionally qualified, they will receive the necessary training and qualification to work alongside their highly qualified and competent lay colleagues.

Achievements and performance (continued)

Trustee training

This year the trustees have accessed appropriate webinars to keep up to date with changing legislation which could impact on the Charity. This has been particularly important for new trustees and new members of their financial boards and management boards, across several countries. These training webinars especially those dealing with health and safety, safeguarding and data protection are of the upmost importance so that our organisation complies with the Charity Commission Regulations and other relevant legislation in the countries where the Daughters of the Cross offer services to members of the public.

Europe – The Western Provinces

As the sisters have continued to hand over their works to lay management they have worked closely with the new trusts and boards of management sharing their knowledge and expertise gained over many years. This handover also ensures that the ethos and charism of the Daughters of the Cross is handed on. However, they still retain an active involvement in their local areas, visiting the sick and housebound, volunteering in hospices and offering a warm welcome to their many contacts with whom they have built supporting relationships over the years. As the age profile of the sisters in the western provinces increases there has been a need for more care and nursing provision. All the Western Provinces have been proactive in addressing this and across the provinces the sisters either provide the care at home, if that is possible, or in one of their specialists residential or nursing homes. Occasionally there is a requirement for a more specialist form of care or support and every effort is made to ensure that the sisters who must be cared for outside our own facilities are still as close to their convent as possible to enable frequent visits by community members.

Cameroun

Our communities in the Cameroun are vibrant, dynamic groups whose foundation and continued support comes from the Indian sisters who established the Daughters of the Cross mission in Africa. Young local African women, inspired by the charism of the Congregation, have brought a new and colourful dimension to the Daughters of the Cross family with their love of music, dance and ritual. At present there are several young women in formation training to become full members of the Congregation as well as being involved in professional training as teachers, nurses or social workers. This beautiful country, where several culturally rich races live peacefully together, is nevertheless subject to outbursts of war and violence as the Islamic group, Boko Haram, and the Anglophone groups clash causing terror amongst the population. The sisters continue with their various apostolates amongst the people when it is safe to do so, being always mindful of the political situation, so that they can ensure the safety of the sisters and the people they work with. There has been much excitement this year as the sisters and their staff are planning a meeting with the parents, local chiefs, bishops and education authorities to discuss the welfare and future plans of their college in Mayo Oldeme in North Cameroun.

Achievements and performance (continued)

The Eastern Provinces

Pakistan

The Daughters of the Cross in Pakistan enjoy a rich tradition of excellence in education from primary level to college students' level. The sisters also run special classes for street children. This project has very little government funding and is dependent on the voluntary work of the sisters and their helpers. The sisters and some of their volunteer workers set up these classes after their normal days' work in the schools. The onsite college supports this project financially and because of the educational opportunities that this gives to these children many can be placed in mainstream education or into vocational training programmes which enables them to improve their lifestyle and to overcome many of the disadvantages that they live with daily.

Although the focus in Pakistan has always been on education, the sisters are also involved in nursing and social work and especially in the support of orphans and children from broken homes, for whom they run residential care homes. They work with these young people to build up their confidence and to get them involved in the mainstream of education so that they can compete with their peer groups on an equal level. Where families have experienced serious breakdowns, sometimes through the death or desertion of one of the parents, every effort is made to keep the children together so that they have the emotional support of their siblings.

Although Christianity is a minority religion in Pakistan the sisters continue to welcome young women who come forward each year to join the Congregation. They join other young Religious for their formation programmes in religious life and if not already holding a professional qualification, they are given appropriate training according to their ability and aptitude.

The Three Indian Provinces

2020 has been a unique year that will go down in history with none of its kind ever before. This global phenomenon of the pandemic has undoubtedly affected the Congregation of The Daughters of the Cross International Generalate charity and the Provinces around the world to which the Indian provinces were no exception.

The first wave of the pandemic swept across India early in the year and that was devastating. The sudden lockdown paralysed the country and played havoc in the lives and livelihood of the common man. Millions turned their gaze to their native villages in desperation but in the absence of transport most suffered, starved and even died on the way.

Fear gripped the country and its people, and the government was totally ill-equipped to handle this emergency. Hospitals could not cope with the flood of patients needing medical assistance even as they tried to expand their facilities. People lost their jobs and small business units had to shut down. Churches and places of worship were closed, and online services initiated. Deaths in families of our sisters, staff, students and those known to us were many, together with several priests and Religious across the country.

Achievements and performance (continued)

The Three Indian Provinces (continued)

Education went online in the cities while in the rural areas it was abandoned. Teachers and students had to equip themselves materially and with skills but personal interaction was missing. Parents struggled to meet the demands of the new system financially and to cope with the new, very near home schooling. Schools struggled financially as fee payment was irregular and insufficient to pay the staff. Exams were staggered, discontinued abruptly and students left distraught.

New means of communication came into operation and new skills developed. Meetings at various levels: Provincial Council, Hospital and School Boards, Institution Staff, Parents, Ex-students, Annual general body of trusts, Audits and Retreats, Webinars were held online or via video conferencing.

Several sisters and communities, independently or in collaboration with other organisations arranged food distribution to the needy, accommodation and skill training for the migrants, medical facilities to the infected in dispensaries, and hospitals with counselling services to the disturbed.

Brazil

The sisters in Brazil, although a small group, are very involved in several apostolates including general education and special needs education, craft and other creative work with young people who have limited opportunities in the world of work or of ongoing education, nursing and social work amongst the slums and prison visiting. Due to Covid 19, they have been less involved in a hands-on capacity in recent months, but they continue to keep in touch with people by electronic means. Their support is greatly appreciated by the people.

Financial review

The charity has a strong commitment to exhibit good stewardship over all of its resources. Through the good management of its financial resources the charity has been able to carry out its mission.

Expenditure has principally been incurred in connection with the advancement of the charity's objects, including the support of the sisters.

Some Provinces have required significant financial support as they work towards new models of living. Others are still discerning the best way forward for their particular community groups, but all will require some level of financial support.

Results for the year

A summary of the year's results is given on page 19 of the financial statements.

Total income for the year was £436,768 (2019 – £621,922). In the main, this comprised the contributions received from the various provinces within the Worldwide Congregation and other donations of £48,919 (2019 – £258,777) and income earned on the charity's investments of £387,849 (2019 – £360,138).

Financial review (continued)

Total expenditure for the year was £173,558 (2019 – £222,604). Expenditure has principally been incurred in connection with the advancement of the charity's objects, including the support of the Sisters under the care of the Generalate Charity and the upkeep of the property occupied by the charity.

The net surplus for the year before investment gains was therefore £263,210 (2019 – net surplus of £399,318).

Investment policy and performance

Investments have been placed in unitised funds with two investment managers and take into account Catholic social teaching. These investment managers are CCLA Fund Managers Limited, with investment in COIF Charities Ethical Investment Fund, and BlackRock Fund Managers Limited, with investment in BlackRock Catholic Charities Growth & Income Fund .

The Generalate charity's investment objectives are to achieve capital growth in the longer term, say five to ten years, to preserve the capital value in real terms and to generate a growing income over time.

Income is withdrawn for the Generalate charity's costs where needed and the remainder is reinvested for the medium term to generate income in the future.

The investment manager's results are reviewed twice each year at the charity's General Finance Advisory Committee meetings. Representatives of the investment managers are invited to attend one of these meetings each year.

The UK stock market for the financial year has had strong growth. The net investment gains for the year were £844,794 (2019 – gains of £1,989,437). The market value of investments at 31 December 2020 was £17,170,654 (2019 – £15,923,054). Of this, £1,735,873 (2019 – £1,605,274) relates to funds held for three Worldwide Congregation Provinces. Details of the movements are given in note 10 to these financial statements.

Reserves policy and financial position

The trustees' policy relating to funds is to designate amounts for specific purposes where there is an obvious or potential need whilst maintaining adequate free reserves. These free reserves are the General Fund, representing the working capital requirements of the charity, which the trustees consider to be two to three months of annual costs.

Designated funds comprise a fixed assets fund, a Solidarity fund, a Chapter fund, an International Generalate fund, an Emerging Needs fund and an Entraide fund.

The Emerging Needs Fund has been designated to provide funds for situations arising within the Worldwide Congregation where financial resources may be needed, whether these situations are routine or emergency in nature. The trustees do not have an indication of when these funds will be expended, as by the nature of the fund, expenditure cannot be predicted with accuracy.

Financial review (continued)

Reserves policy and financial position (continued)

The International Generalate Fund has been designated to secure the long-term funding of the Generalate. The fund will be reviewed each year to ensure that the income generated from the fund is sufficient to meet the charity's day-to-day running costs.

All designated funds are invested or held in cash at the balance sheet date.

Free reserves at 31 December 2020 amount to £25,000 (2019 – £25,000) which the trustees consider to be in line with the reserves policy.

Plans for future periods

Canonical visitations by the Superior General and the General Councillors, supported by the charity, are planned for the future but continue to be curtailed by difficulties arising from the Coronavirus outbreak.

The General Council will continue with the objectives set out at the General Chapter in May 2018, and the charity will continue to support the sisters in these plans.

The Emerging Needs fund will continue to be used for supporting projects over the coming year, under the direction of the Trustees, and again projects in Cameroun will be a focus of the year ahead.

Principal risks and uncertainties

The trustees have assessed the major risks to which the Generalate Charity is exposed. Mitigation of these risks is ongoing and the General Finance Advisory Committee, who meet twice a year, continue to consider the controls in place in order to assist the Trustees. The trustees take the opportunity to update themselves regularly by attending workshops and risk management and on the responsibilities of trustees of the charity. The key risks for the charity, as identified by the trustees, are described below together with the principal ways in which they are mitigated:

- ◆ IT failure and loss of data – the charity has an IT recovery plan and insurance cover in place, together with day to day in house controls,
- ◆ Cashflow sensitivity – the charity ensures regular reviews are carried out and that the requisite skills are available within the General Council team and advisors, plus General Finance Committee review and monitoring,
- ◆ Dependency on income source – the charity reviews the adequacy of reserves and identifies any major dependencies, using expert advice and monitoring of any projects requiring financial input.

Fundraising

The charity does not solicit donations from the general public and therefore does not work with any commercial or professional fundraisers.

Structure, governance and management

Constitution

The Congregation of The Daughters of The Cross International Generalate was incorporated as a company limited by guarantee on 15 March 2011 (Registration Number 07565399) and registered as a charity on 20 June 2011 (Charity Registration Number 1142490). The charitable company is governed by its Memorandum and Articles of Association.

Trustees

The trustees constitute directors of the company for the purposes of the Companies Act and trustees of the charity for the purposes of charity legislation. The following trustees were in office at 31 December 2020 and served during the year as shown:

Trustee	Appointed / Resigned
Sister Pushpa Purathur (Superior General)	
Sister Mary McLaughlin	
Sister Maureen O'Brien	
Sister Valerie Miranda	
Sister Zeenat Shangara	Resigned 9 th September 2021

Every six years, the Congregation holds a General Chapter at which they review the activities of the last six years, and plan the activities of the subsequent six years. The next General Chapter will be held in May 2024.

During 2020, the trustees were all Sisters of the Congregation Of The Daughters Of The Cross of Liege. During 2021, the charity's Articles of Association were amended to provide that there shall be between four and seven (previously between three and six) trustees, and at all times the majority of the Trustees must be members of the Congregation (previously Sisters who held office on the General Council of the Congregation were the trustees of the charity).

Statement of trustees' responsibilities

The trustees (who are also directors of the Congregation Of The Daughters Of The Cross International Generalate 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 to the United Kingdom and Republic of Ireland (FRS 102); the Statement of Recommended Practice (Accounting and Reporting by Charities) (the Charities' SORP);

Structure, governance and management (continued)

Statement of trustees' responsibilities (continued)

- ◆ 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 proper 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees confirms that:

- ◆ so far as the trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- ◆ the trustee 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.

Management of the Generalate Charity

During 2020, the Superior General, as Trustee, was responsible for all of the affairs of the charity, along with her General Council. The responsibility of the Superior General, as far as these financial statements are concerned is to govern the Congregation of The Daughters of the Cross International Generalate charity and embrace the welfare, well-being and apostolate of the Sisters, their residences, all the matters dealt with centrally such as investments and property, together with all related banking and accounting matters.

General Finance Advisory Committee

The General Finance Advisory Committee is an advisory committee set up by the Trustees to support and advise the Generalate Charity in its financial affairs, meeting bi-annually. General Finance Council meetings took place in March 2020 in person and September 2020 online due to the Coronavirus situation.

Structure, governance and management (continued)

Key management personnel

The trustees (including the Superior General) consider that they, together with the Bursar General, comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day to day basis.

During 2020, the trustees and Bursar General were all members of the Congregation and whilst their living and personal expenses are borne by the charity, they receive no remuneration or reimbursement of expenses in connection with their duties to the charity.

Related Parties

Worldwide Congregation

The Generalate and the Sisters are part of the Worldwide Congregation of the Daughters of the Cross of Liege. Grants are made by the charity to Provinces of the Congregation around the world from time to time.

English Charity

During 2020, the charity occupied a property owned by the English Province Charity, St Joseph's Convent at Cheam. The property had been extensively refurbished by the English Charity and the Generalate Charity has been granted a lease of the building at a nominal rent. The property provides both living and office accommodation for the General Council and support Sisters, who are members of the English Province and whose personal expenses are met by the English Charity. The property reverted back to the English Province Charity in September 2021.

Approved by the trustees and signed on their behalf by:

Pushpa Purathur

Trustee: Sister Pushpa Purathur

Approved on: 28/09/2021

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

Opinion

We have audited the financial statements of the Congregation of The Daughters of The Cross International Generalate for the year ended 31 December 2020 which comprise the statement of financial activities, the comparative statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the related notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland.

In our opinion the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 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 trustees are responsible for the other information. The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matter 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, 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, 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 charity and its environment obtained in the course of the audit, we have identified no material misstatements in the trustees' report. We have nothing to report in respect of the following matters where 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; or
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the trustees' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

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.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the Senior Statutory Auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations; and
- we obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011).

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management 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 unusual or unexpected relationships;
- carried out substantive testing of expenditure including the authorisation thereof;
- reviewed journal entries to identify unusual transactions and substantiated these where appropriate; and
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- review of the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

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.

Avnish Savjani

Avnish Savjani, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 29 September 2021

Statement of financial activities (incorporating an income and expenditure account)
Year to 31 December 2020

	Notes	Unrestricted funds £	Restricted funds £	Endowment fund £	Total funds 2020 £
Income and expenditure					
Income from:					
Donations	1	48,919	—	—	48,919
Investments	2	378,857	8,992	—	387,849
Other	3	—	—	—	—
Total income		427,776	8,992	-	436,768
Expenditure on:					
Charitable activities	4	163,546	10,012	—	173,558
Total expenditure		163,546	10,012	—	173,558
Net income (expenditure) before net investment gains					
		264,230	(1,020)	—	263,210
Net gains on the revaluation and disposal of listed investments	10	584,608	18,850	241,336	844,794
Net income and net movement in funds	6	848,838	17,830	241,336	1,108,004
Reconciliation of funds					
Total funds brought forward at 1 January 2020		10,050,554	365,731	4,211,707	14,627,992
Total funds carried forward at 31 December 2020		10,899,392	383,561	4,453,043	15,735,996

All recognised gains and losses are included in the above statement of financial activities.

All of the charity's activities derived from continuing operations during the above financial period.

Comparative statement of financial activities Year to 31 December 2019

	Notes	Unrestricted funds £	Restricted funds £	Endowment fund £	Total funds 2019 £
<i>Income and expenditure</i>					
<i>Income from:</i>					
Donations	1	258,777	—	—	258,777
Investments	2	351,584	8,554	—	360,138
Other	3	3,007	—	—	3,007
Total income		613,368	8,554	—	621,922
<i>Expenditure on:</i>					
Charitable activities	4	206,252	16,352	—	222,604
Total expenditure		206,252	16,352	—	222,604
<i>Net income (expenditure) before net investment gains</i>		407,116	(7,798)	—	399,318
<i>Net gains on the revaluation and disposal of listed investments</i>	10	1,347,308	47,796	594,333	1,989,437
Net income and net movement in funds	6	1,754,424	39,998	594,333	2,388,755
<i>Reconciliation of funds</i>					
<i>Total funds brought forward at 1 January 2019</i>		8,296,130	325,733	3,617,374	12,239,237
Total funds carried forward at 31 December 2019		10,050,554	365,731	4,211,707	14,627,992

All recognised gains and losses are included in the above statement of financial activities.

All of the charity's activities derived from continuing operations during the above financial period.

Balance sheet 31 December 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	9	—		—	
Investments	10	<u>17,170,654</u>		<u>15,923,054</u>	15,923,054
			17,170,654		
Current assets					
Debtors	11	13,772		14,134	
Cash at bank and in hand		<u>557,847</u>		<u>687,289</u>	
		571,619		701,423	
Creditors: amounts falling due within one year	12	<u>(191,267)</u>		<u>(229,705)</u>	
Net current assets			380,352		471,718
Total assets less current liabilities					
			17,551,006		16,394,772
Creditors: amounts falling due after more than one year	13		(1,815,010)		(1,766,780)
Total net assets			15,735,996		14,627,992
The funds of the charity					
Restricted funds	14		383,561		365,731
Endowment fund	15		4,453,043		4,211,707
Unrestricted funds					
. Designated funds	16				
.. Chapter fund		39,868		28,987	
.. Entraide fund		391,269		368,323	
.. Fixed Asset fund		—		—	
.. Emerging Needs fund		8,567,641		7,689,461	
.. Solidarity fund		85,614		78,783	
.. International Generalate fund		<u>1,790,000</u>		<u>1,860,000</u>	
			10,874,392		10,025,554
. General funds			25,000		25,000
			15,735,996		14,627,992

Approved by the trustees of the Congregation Of The Daughters Of The Cross International Generalate, Company Registration Number 07565399 (England and Wales), and signed on their behalf by:

Pushpa Purathur

Trustee: Sister Pushpa Purathur

Approved on: 28/09/2021

Principal accounting policies 31 December 2020

	Notes	2020 £	2019 £
Cash (outflow) inflow from operating activities:			
Net cash (used in) provided by operating activities	A	(207,497)	(13,840)
Cash inflow from investing activities:			
Dividends and interest from investments		387,849	360,138
Net purchase of investments		(307,432)	(286,928)
Net cash used in investing activities		80,417	73,210
Change in cash and cash equivalents in the year		(127,080)	59,370
Cash and cash equivalents at 1 January 2020	B	687,289	624,912
Change in cash and cash equivalents due to exchange rate movements		(2,362)	3,007
Cash and cash equivalents at 31 December 2020		557,847	687,289

Notes to the statement of cash flows for the year to 31 December 2020.

A Reconciliation of net income to net cash provided by operating activities

	2020 £	2019 £
Net income (as per the statement of financial activities)	1,108,004	2,388,755
Adjustments for:		
Losses (gains) on investments	(940,168)	(2,215,072)
Dividends and interest from investments	(387,849)	(360,138)
Foreign exchange loss (gain)	2,362	(3,007)
Decrease (increase) in debtors	364	(10,955)
Increase in creditors	9,790	186,577
Net cash (used in) provided by operating activities	(207,497)	(13,840)

B Analysis of cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	557,847	687,289
Total cash and cash equivalents	557,847	687,289

No separate reconciliation of net debt has been prepared as there is no difference between the net cash (debt) of the charity and the above cash and cash equivalents.

Principal accounting policies 31 December 2020

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation

These financial statements have been prepared for the year to 31 December 2020 with comparative information in respect to the year ended 31 December 2019.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the trustees and management to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include:

- ◆ the useful economic lives attributed to tangible fixed assets used to determine the annual depreciation charge;
- ◆ the allocation of amounts held on behalf of other parts of the Worldwide Congregation between short and long term creditors; and
- ◆ the assumptions adopted in determining the value of any designations required from the charity's general unrestricted funds.

Assessment of going concern

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

Assessment of going concern (continued)

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above.

With regard to the next accounting period, the year ending 31 December 2021, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the trustees' report for more information), particularly in light of the impact of the Covid-19 pandemic.

Income

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises donations received (principally the contributions received from the various provinces within the Worldwide Congregation), income from investments, and sundry income.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised. For the purposes of these accounts, no value has been placed on administrative and other services provided by the members of the Congregation either.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses are allocated to the applicable expenditure headings. The majority of expenditure is directly attributable and any apportionment between headings is negligible. The classification between activities is as follows:

- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. This includes the costs of supporting the Sisters under the care of the charity, expenditure on the upkeep of the property occupied by the charity and governance costs.

Expenditure (continued)

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

All expenditure is stated inclusive of irrecoverable VAT.

Tangible fixed assets

All assets costing more than £500 and with an expected useful life exceeding one year are capitalised.

Tangible fixed assets are capitalised and depreciated at the following annual rates on a straight line basis in order to write them off over their estimated useful lives:

- ◆ Fixtures and fittings 20% per annum
- ◆ Computer equipment 20% per annum
- ◆ Motor vehicles 20% per annum

Investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The charity does not acquire put options, derivatives or other complex financial instruments.

As noted above the main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value is acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Long term liabilities representing the balances held by the charity on behalf of the other parts of the Congregation are not discounted to present value in accordance with the provisions set out in section 34 of FRS 102. Interest charges do not accrue on these balances which arise as a consequence of other parts of the Worldwide Congregation transferring surplus wealth for investment within the listed investment portfolio managed by BlackRock Investment Management (UK) Limited. This arrangement aims to provide a better investment return on the amounts invested for those parts of the Congregation and therefore benefits the Worldwide Congregation as a whole, in line with the charity's own objects.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the net movement in funds.

Fund structure

General funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

Designated funds comprise monies set aside out of unrestricted general funds for specific future purposes or projects.

Fund structure (continued)

Restricted funds represent donations received for which the donor has prescribed how these donations may be used, and these monies are only used for those specified charitable purposes.

Endowment funds comprise monies which must be invested and held as capital. Income therefrom is credited to general funds and applied for general purposes unless under the terms of the endowment such income must be used for specific purposes in which case it is credited to restricted funds.

Notes to the financial statements 31 December 2020

1 Income from donations

	Unrestricted funds £	Restricted funds £	2020 Total £	Unrestricted funds £	Restricted funds £	2019 Total £
Contributions from Provinces	45,262	—	45,262	43,254	—	43,254
Other donations	3,657	—	3,657	215,523	—	215,523
Total funds	48,919	—	48,919	258,777	—	258,777

2 Income from investments

	Unrestricted funds £	Restricted funds £	2020 Total £	Unrestricted funds £	Restricted funds £	2019 Total £
Income from listed investments						
. UK equities	377,706	8,992	386,698	348,578	8,554	357,132
Bank interest	1,151	—	1,151	3,006	—	3,006
Total funds	378,857	8,992	387,849	351,584	8,554	360,138

3 Other income

	Unrestricted funds £	Restricted funds £	2020 Total £	Unrestricted funds £	Restricted funds £	2019 Total £
Sundry income	—	—	—	3,007	—	3,007
Total funds	—	—	—	3,007	—	3,007

4 Expenditure on charitable activities: Religion

	Unrestricted funds £	Restricted funds £	2020 Total £	Unrestricted funds £	Restricted funds £	2019 Total £
Sisters' living and personal support	30,248	—	30,248	58,844	—	58,844
Property	17,976	—	17,976	31,153	—	31,153
Administration	64,363	12	64,375	66,709	502	67,211
Car costs and travel	5,535	—	5,535	7,683	—	7,683
Donations	22,251	10,000	32,251	18,852	15,850	34,702
Governance costs (see note 6)	23,173	—	23,173	23,011	—	23,011
Total funds	153,546	10,012	173,558	206,252	16,352	222,604

5 Governance costs

	2020 £	2019 £
Legal and professional fees	11,772	13,365
Auditor's remuneration	5,550	5,720
Meeting costs	5,371	3,926
Other costs	480	—
	23,173	23,011

6 Net income and net movement in funds

This is stated after charging:

	2020 £	2019 £
Auditor's remuneration		
. Statutory audit services	5,550	5,720

7 Key management personnel

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the trustees (including the Superior General) and the Bursar General.

The trustees and Bursar General are all members of the Congregation and whilst their living and personal expenses are borne by the charity they receive no remuneration or reimbursement of expenses in connection with their duties to the charity (2019 – £nil).

8 Taxation

The Congregation Of The Daughters Of The Cross International Generalate is a registered charity and, therefore, is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

Notes to the financial statements 31 December 2020

9 Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Motor vehicles £	Total £
Cost				
At 1 January 2020 and 31 December 2020	33,195	11,654	10	44,859
Depreciation				
At 1 January 2020 and 31 December 2020	33,195	11,654	10	44,859
Net book value				
At 31 December 2020	—	—	—	—
At 31 December 2019	—	—	—	—

10 Investments

	2020 £	2019 £
Listed investments		
Market value at 1 January 2020	15,923,054	13,421,054
Net additions at cost	307,432	286,928
Unrealised investment gains	940,168	2,215,072
Market value at 31 December 2020	17,170,654	15,923,054
Cost of listed investments at 31 December 2020	11,215,644	10,908,212

Of the investments held at 31 December 2020 of £17,170,654 (2019 – £15,923,054) £1,735,873 (2019 - £1,605,274) relates to funds held for three Worldwide Congregation Provinces.

At 31 December 2020, the investments were held as follows:

	2020 £	2019 £
Listed investments		
Invested in COIF Charities Ethical Investment Fund	9,269,662	8,506,264
CCLA Deposit Fund	7,900,992	7,416,790
	17,170,654	15,923,054

Net investment gains dealt with in the SOFA are made up as follows:

	2020 £	2019 £
Net investment (losses) gains on listed investments – as per above	940,168	2,215,072
Less: Other investment losses (gains) (see below)	(95,374)	(225,635)
Gains on investments assets per SOFA	844,794	1,989,437

Investments have been placed in unitised funds with two investments managers. These investment managers are CCLA Fund Managers Limited, with investment in COIF Charities Ethical Investment Fund, and BlackRock Fund Managers Limited, with investment in BlackRock Catholic Charities Growth & Income Fund.

Notes to the financial statements 31 December 2020

10 Investments (continued)

Other investment gains' of £95,374 (2019 – gains of £225,635) represent gains in respect of investments held on behalf of other parts of the Congregation, hence they are not attributable to the charity's Statement of Financial Activities for the year, and the amounts included in creditors as held on behalf of other parts of the Congregation are adjusted accordingly.

11 Debtors

	2020 £	2019 £
Prepayments and accrued income	13,772	14,134
	13,772	14,134

12 Creditors: amounts falling due within one year

	2020 £	2019 £
Expense creditors	9,553	60,724
Accruals and deferred income	15,914	12,399
Other creditors	—	1,928
Amounts held on behalf of other parts of the Congregation	165,800	154,654
	191,267	229,705

13 Creditors: amounts falling due after more than one year

	2020 £	2019 £
Amounts held on behalf of other parts of the Congregation	1,815,010	1,766,780

14 Restricted funds

The funds of the charity include the following restricted funds which have been dealt with in accordance with restrictions applied by the donors of the funds:

	At 1 January 2020 £	Income and gains on investments £	Expenditure £	At 31 December 2020 £
Patrimony Fund	341,921	27,842	(10,012)	359,751
Archives Fund	23,810	—	—	23,810
	365,731	27,842	(10,012)	383,561

	At 1 January 2019 £	Income and gains on investments £	Expenditure £	At 31 December 2019 £
Patrimony Fund	301,420	56,351	(15,850)	341,921
Archives Fund	24,313	—	(503)	23,810
	325,733	56,351	(16,353)	365,731

The **Patrimony Fund** represents a patrimony donated to the Generalate Charity, with the restriction that any monies donated from that fund must be spent on the day to day welfare of the poor cared for by the worldwide Congregation.

The **Archives Fund** represents a donation made towards the cost of creating a comprehensive archive of all historic documents and artefacts of the Worldwide Congregation.

15 Endowment fund

During 2014, a donation of £3 million was made to the Generalate charity. In accordance with the terms on which the donation was received, the Generalate invested the £3 million to be held as an endowment fund. The investment income earned on those funds may be used to support the running of the Generalate and/or to expand and enhance the mission of the congregation.

Following the third anniversary of the receipt of the donation, the trustees of the International Generalate are also able to apply, in certain circumstances, the cumulative gains on earned on the investments in accordance with the donor's wishes. The charity has not yet applied any of these cumulative gains for any other purpose.

Movement on the endowment fund during the year ended 31 December 2020 was as follows:

	2020 £	2019 £
Balance brought forward at 1 January 2020	4,211,707	3,617,374
Add: unrealised gains (losses)	241,336	594,333
Balance carried forward at 31 December 2020	4,453,043	4,211,707

16 Designated funds

The funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	At 1 January 2020 £	New designations £	Released to general fund £	At 31 December 2020 £
Chapter Fund	28,987	10,881	—	39,868
Entraide Fund	368,323	30,946	(8,000)	391,269
Fixed Asset Fund	—	—	—	—
Emerging Needs Fund	7,689,461	926,999	(48,819)	8,567,641
Solidarity Fund	78,783	6,831	—	85,614
International Generalate Fund	1,860,000	—	(70,000)	1,790,000
	<u>10,025,554</u>	<u>975,657</u>	<u>(126,819)</u>	<u>10,874,392</u>

	At 1 January 2019 £	New designations £	Released to general fund £	At 31 December 2019 £
<i>Chapter Fund</i>	17,500	11,487	—	28,987
<i>Entraide Fund</i>	319,060	61,802	(12,539)	368,323
<i>Fixed Asset Fund</i>	—	—	—	—
<i>Emerging Needs Fund</i>	5,636,581	2,208,138	(155,258)	7,689,461
<i>Solidarity Fund</i>	57,989	20,794	—	78,783
<i>International Generalate Fund</i>	2,240,000	—	(380,000)	1,860,000
	<u>8,271,130</u>	<u>2,302,221</u>	<u>(547,797)</u>	<u>10,025,554</u>

The **Chapter Fund** comprises amounts designated to cover the costs of the next General Chapter which is due to take place in May 2024.

The **Entraide Fund** comprises monies designated for help for the poor around the world. This money was donated by Entraide Internationale ASBL, a charity based in Belgium, the aim of which was to help the poor. The trustees have designated this fund to carry on the work of that charity. The funds are invested and the annual income arising on those investments will be regularly, usually annually, donated to appropriate causes.

The **Fixed Asset Fund** comprises the value of the fixed assets owned by the charity. A decision was made to separate this fund from the general funds of the charity in recognition of the fact that the tangible fixed assets are essential to the day to day work of the charity and as such their value should not be regarded as funds that might be realisable with ease, in order to meet future contingencies.

The **Emerging Needs Fund** has been designated to provide funds for situations arising within the Worldwide Congregation where financial resources may be needed. These situations may be routine or emergency in nature, issues causing concern currently or where there are concerns for the future and where the charity may be called on to consider providing assistance.

16 Designated funds (continued)

The **Solidarity Fund** comprises money donated by Provinces around the world. These funds will be distributed by the trustees as they see fit, having regard to the guidance given at the Chapter, in order to meet discerned extraordinary expenses across the Congregation. This fund is long term in nature, as set out in the 2012 General Chapter, and the timing of expenditure cannot be accurately estimated.

The **International Generalate Fund** was designated to secure the long-term funding of the costs of the Generalate, in order to continue to support the charitable works carried out around the world by members of the worldwide Congregation. The trustees consider that the value of this fund is sufficient to generate enough income, when combined with the income arising on the Restricted Income Fund, to cover all of the charity's day to day running expenses. The fund will be reviewed each year and further designations made as necessary.

17 Analysis of net assets between funds

	Unrestricted funds		Restricted funds £	Endowment funds £	Total 2020 £
	General fund £	Designated funds £			
Fund balances at 31 December 2020 are represented by:					
Tangible fixed assets	—	—	—	—	—
Investments	1,735,873	10,624,173	357,565	4,453,043	17,170,654
Current assets	295,404	250,219	25,996	—	571,619
Creditors: amounts falling due within one year	(191,267)	—	—	—	(191,267)
Creditors: amounts falling due after more than one year	(1,815,010)	—	—	—	(1,815,010)
Total net assets	25,000	10,874,392	383,561	4,453,043	15,735,996

	Unrestricted funds		Restricted funds £	Endowment funds £	Total 2019 £
	General fund £	Designated funds £			
<i>Fund balances at 31 December 2019 are represented by:</i>					
<i>Tangible fixed assets</i>	—	—	—	—	—
<i>Investments</i>	<i>1,377,598</i>	<i>9,995,035</i>	<i>338,714</i>	<i>4,211,707</i>	<i>15,923,054</i>
<i>Current assets</i>	<i>626,323</i>	<i>48,083</i>	<i>27,017</i>	—	<i>701,423</i>
<i>Creditors: amounts falling due within one year</i>	<i>(212,141)</i>	<i>(17,564)</i>	—	—	<i>(229,705)</i>
<i>Creditors: amounts falling due after more than one year</i>	<i>(1,766,780)</i>	—	—	—	<i>(1,766,780)</i>
<i>Total net assets</i>	<i>25,000</i>	<i>10,025,554</i>	<i>365,731</i>	<i>4,211,707</i>	<i>14,627,992</i>

17 Analysis of net assets between funds (continued)

The total unrealised gains as at 31 December 2020 constitutes movements on revaluation of listed investments and are as follows:

	2020 £	2019 £
Total unrealised gains included above:		
On listed investments	5,955,010	5,014,842
Reconciliation of movements in unrealised gains		
Unrealised gains at 1 January 2020	5,014,842	2,799,770
Add: net gains arising on revaluation arising in the year	940,168	2,215,072
Total unrealised gains at 31 December 2020	5,955,010	5,014,842

18 Related party transactions

Worldwide Congregation

The Generalate and the Sisters are part of the Worldwide Congregation of the Daughters of the Cross of Liege. Grants may be made to Provinces of the Congregation around the world from time to time.

English Charity

Until September 2021, the Generalate occupied a property owned by the English Province Charity, St Joseph's Convent at Cheam. The Generalate Charity has been granted a lease of the building by the English Province Charity at a nominal rent.

19 Events after the reporting period

Rome

During September 2021, the General Council of the Worldwide Congregation moved their main operations to Rome. This decision has been taken due to the continuing difficulties of religious sisters from around the world obtaining UK visas. The charity will remain operating in England.

Financial commitment to Provinces

The charity is committed to supporting the Congregation's Provinces around the world, in furtherance of its objectives. It is expected that support may be needed by the European Provinces over the next few years to plan their futures, due to the age profile of the sisters in those provinces. The charity is expecting that there will be a need to support Provinces financially, and related costs are expected to be incurred in 2021. These amounts cannot be quantified at present but may be material.