

**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

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

<b>Trustee</b>	<b>Appointed / Resigned</b>
Sister Pushpa Purathur (Superior General)	
Sister Mary McLaughlin	
Sister Maureen O'Brien	
Sister Valerie Miranda	
Sister Zeenat Shangara	Resigned 9 <sup>th</sup> 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](http://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 £
<b>Income and expenditure</b>					
<b>Income from:</b>					
Donations	1	48,919	—	—	<b>48,919</b>
Investments	2	378,857	8,992	—	<b>387,849</b>
Other	3	—	—	—	<b>—</b>
<b>Total income</b>		<b>427,776</b>	<b>8,992</b>	<b>-</b>	<b>436,768</b>
<b>Expenditure on:</b>					
Charitable activities	4	163,546	10,012	—	<b>173,558</b>
<b>Total expenditure</b>		<b>163,546</b>	<b>10,012</b>	<b>—</b>	<b>173,558</b>
<b>Net income (expenditure) before net investment gains</b>		<b>264,230</b>	<b>(1,020)</b>	<b>—</b>	<b>263,210</b>
Net gains on the revaluation and disposal of listed investments	10	584,608	18,850	241,336	<b>844,794</b>
<b>Net income and net movement in funds</b>	6	<b>848,838</b>	<b>17,830</b>	<b>241,336</b>	<b>1,108,004</b>
<b>Reconciliation of funds</b>					
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		<b>10,899,392</b>	<b>383,561</b>	<b>4,453,043</b>	<b>15,735,996</b>

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
<b>Total income</b>		<b>613,368</b>	<b>8,554</b>	<b>—</b>	<b>621,922</b>
<i>Expenditure on:</i>					
Charitable activities	4	206,252	16,352	—	222,604
<b>Total expenditure</b>		<b>206,252</b>	<b>16,352</b>	<b>—</b>	<b>222,604</b>
<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
<b>Net income and net movement in funds</b>	6	<b>1,754,424</b>	<b>39,998</b>	<b>594,333</b>	<b>2,388,755</b>
<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
<b>Total funds carried forward at 31 December 2019</b>		<b>10,050,554</b>	<b>365,731</b>	<b>4,211,707</b>	<b>14,627,992</b>

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 £
<b>Fixed assets</b>					
Tangible assets	9	—		—	
Investments	10	<u>17,170,654</u>		<u>15,923,054</u>	
			<b>17,170,654</b>		15,923,054
<b>Current assets</b>					
Debtors	11	<b>13,772</b>		14,134	
Cash at bank and in hand		<u>557,847</u>		<u>687,289</u>	
		<b>571,619</b>		<b>701,423</b>	
<b>Creditors:</b> amounts falling due within one year	12	<u>(191,267)</u>		<u>(229,705)</u>	
<b>Net current assets</b>			<b>380,352</b>		<b>471,718</b>
<b>Total assets less current liabilities</b>			<b>17,551,006</b>		<b>16,394,772</b>
<b>Creditors:</b> amounts falling due after more than one year	13		<b>(1,815,010)</b>		<b>(1,766,780)</b>
<b>Total net assets</b>			<u><b>15,735,996</b></u>		<u><b>14,627,992</b></u>
<b>The funds of the charity</b>					
Restricted funds	14		<b>383,561</b>		365,731
Endowment fund	15		<b>4,453,043</b>		4,211,707
Unrestricted funds					
. Designated funds	16				
.. Chapter fund		<b>39,868</b>		28,987	
.. Entraide fund		<b>391,269</b>		368,323	
.. Fixed Asset fund		—		—	
.. Emerging Needs fund		<b>8,567,641</b>		7,689,461	
.. Solidarity fund		<b>85,614</b>		78,783	
.. International Generalate fund		<u><b>1,790,000</b></u>		<u>1,860,000</u>	
			<b>10,874,392</b>		10,025,554
. General funds			<b>25,000</b>		25,000
			<u><b>15,735,996</b></u>		<u><b>14,627,992</b></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:

Pushpa Purathur

Trustee: Sister Pushpa Purathur

Approved on: 28/09/2021

## Principal accounting policies 31 December 2020

	Notes	2020 £	2019 £
<b>Cash (outflow) inflow from operating activities:</b>			
Net cash (used in) provided by operating activities	A	<b>(207,497)</b>	(13,840)
<b>Cash inflow from investing activities:</b>			
Dividends and interest from investments		<b>387,849</b>	360,138
Net purchase of investments		<b>(307,432)</b>	(286,928)
<b>Net cash used in investing activities</b>		<b>80,417</b>	73,210
<b>Change in cash and cash equivalents in the year</b>		<b>(127,080)</b>	59,370
<b>Cash and cash equivalents at 1 January 2020</b>	B	<b>687,289</b>	624,912
<b>Change in cash and cash equivalents due to exchange rate movements</b>		<b>(2,362)</b>	3,007
<b>Cash and cash equivalents at 31 December 2020</b>		<b>557,847</b>	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 £
<b>Net income (as per the statement of financial activities)</b>	<b>1,108,004</b>	2,388,755
<b>Adjustments for:</b>		
Losses (gains) on investments	<b>(940,168)</b>	(2,215,072)
Dividends and interest from investments	<b>(387,849)</b>	(360,138)
Foreign exchange loss (gain)	<b>2,362</b>	(3,007)
Decrease (increase) in debtors	<b>364</b>	(10,955)
Increase in creditors	<b>9,790</b>	186,577
<b>Net cash (used in) provided by operating activities</b>	<b>(207,497)</b>	(13,840)

#### B Analysis of cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	<b>557,847</b>	687,289
<b>Total cash and cash equivalents</b>	<b>557,847</b>	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	—	<b>45,262</b>	43,254	—	43,254
Other donations	3,657	—	<b>3,657</b>	215,523	—	215,523
<b>Total funds</b>	<b>48,919</b>	<b>—</b>	<b>48,919</b>	<b>258,777</b>	<b>—</b>	<b>258,777</b>

### 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	<b>386,698</b>	348,578	8,554	357,132
Bank interest	1,151	—	<b>1,151</b>	3,006	—	3,006
<b>Total funds</b>	<b>378,857</b>	<b>8,992</b>	<b>387,849</b>	<b>351,584</b>	<b>8,554</b>	<b>360,138</b>

### 3 Other income

	Unrestricted funds £	Restricted funds £	2020 Total £	Unrestricted funds £	Restricted funds £	2019 Total £
Sundry income	—	—	—	3,007	—	3,007
<b>Total funds</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>3,007</b>	<b>—</b>	<b>3,007</b>

#### 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	—	<b>30,248</b>	58,844	—	58,844
Property	17,976	—	<b>17,976</b>	31,153	—	31,153
Administration	64,363	12	<b>64,375</b>	66,709	502	67,211
Car costs and travel	5,535	—	<b>5,535</b>	7,683	—	7,683
Donations	22,251	10,000	<b>32,251</b>	18,852	15,850	34,702
Governance costs (see note 6)	23,173	—	<b>23,173</b>	23,011	—	23,011
<b>Total funds</b>	<b>153,546</b>	<b>10,012</b>	<b>173,558</b>	<b>206,252</b>	<b>16,352</b>	<b>222,604</b>

#### 5 Governance costs

	2020 £	2019 £
Legal and professional fees	<b>11,772</b>	13,365
Auditor's remuneration	<b>5,550</b>	5,720
Meeting costs	<b>5,371</b>	3,926
Other costs	<b>480</b>	—
	<b>23,173</b>	23,011

#### 6 Net income and net movement in funds

This is stated after charging:

	2020 £	2019 £
Auditor's remuneration		
. Statutory audit services	<b>5,550</b>	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.

## 9 Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 January 2020 and 31 December 2020	33,195	11,654	10	<b>44,859</b>
<b>Depreciation</b>				
At 1 January 2020 and 31 December 2020	33,195	11,654	10	<b>44,859</b>
<b>Net book value</b>				
At 31 December 2020	—	—	—	<b>—</b>
At 31 December 2019	—	—	—	<b>—</b>

## 10 Investments

	2020 £	2019 £
Listed investments		
Market value at 1 January 2020	<b>15,923,054</b>	13,421,054
Net additions at cost	<b>307,432</b>	286,928
Unrealised investment gains	<b>940,168</b>	2,215,072
Market value at 31 December 2020	<b>17,170,654</b>	15,923,054
Cost of listed investments at 31 December 2020	<b>11,215,644</b>	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	<b>9,269,662</b>	8,506,264
CCLA Deposit Fund	<b>7,900,992</b>	7,416,790
	<b>17,170,654</b>	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	<b>940,168</b>	2,215,072
Less: Other investment losses (gains) (see below)	<b>(95,374)</b>	(225,635)
Gains on investments assets per SOFA	<b>844,794</b>	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.



**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	<b>13,772</b>	14,134
	<b>13,772</b>	14,134

**12 Creditors: amounts falling due within one year**

	2020 £	2019 £
Expense creditors	<b>9,553</b>	60,724
Accruals and deferred income	<b>15,914</b>	12,399
Other creditors	—	1,928
Amounts held on behalf of other parts of the Congregation	<b>165,800</b>	154,654
	<b>191,267</b>	229,705

**13 Creditors: amounts falling due after more than one year**

	2020 £	2019 £
Amounts held on behalf of other parts of the Congregation	<b>1,815,010</b>	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)	<b>359,751</b>
Archives Fund	23,810	—	—	<b>23,810</b>
	<b>365,731</b>	<b>27,842</b>	<b>(10,012)</b>	<b>383,561</b>

	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
	<b>325,733</b>	<b>56,351</b>	<b>(16,353)</b>	<b>365,731</b>

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	<b>4,211,707</b>	3,617,374
Add: unrealised gains (losses)	<b>241,336</b>	594,333
Balance carried forward at 31 December 2020	<b>4,453,043</b>	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 £
Chapter Fund	17,500	11,487	—	28,987
Entraide Fund	319,060	61,802	(12,539)	368,323
Fixed Asset Fund	—	—	—	—
Emerging Needs Fund	5,636,581	2,208,138	(155,258)	7,689,461
Solidarity Fund	57,989	20,794	—	78,783
International Generalate Fund	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 £			
<b>Fund balances at 31 December 2020 are represented by:</b>					
Tangible fixed assets	—	—	—	—	—
Investments	1,735,873	10,624,173	357,565	4,453,043	<b>17,170,654</b>
Current assets	295,404	250,219	25,996	—	<b>571,619</b>
Creditors: amounts falling due within one year	(191,267)	—	—	—	<b>(191,267)</b>
Creditors: amounts falling due after more than one year	(1,815,010)	—	—	—	<b>(1,815,010)</b>
<b>Total net assets</b>	<b>25,000</b>	<b>10,874,392</b>	<b>383,561</b>	<b>4,453,043</b>	<b>15,735,996</b>

	Unrestricted funds		Restricted funds £	Endowment funds £	Total 2019 £
	General fund £	Designated funds £			
<b>Fund balances at 31 December 2019 are represented by:</b>					
Tangible fixed assets	—	—	—	—	—
Investments	1,377,598	9,995,035	338,714	4,211,707	<b>15,923,054</b>
Current assets	626,323	48,083	27,017	—	<b>701,423</b>
Creditors: amounts falling due within one year	(212,141)	(17,564)	—	—	<b>(229,705)</b>
Creditors: amounts falling due after more than one year	(1,766,780)	—	—	—	<b>(1,766,780)</b>
<b>Total net assets</b>	<b>25,000</b>	<b>10,025,554</b>	<b>365,731</b>	<b>4,211,707</b>	<b>14,627,992</b>

**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 £
<b>Total unrealised gains included above:</b>		
On listed investments	<b>5,955,010</b>	5,014,842
<b>Reconciliation of movements in unrealised gains</b>		
Unrealised gains at 1 January 2020	<b>5,014,842</b>	2,799,770
Add: net gains arising on revaluation arising in the year	<b>940,168</b>	2,215,072
<b>Total unrealised gains at 31 December 2020</b>	<b>5,955,010</b>	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.