

**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 Bamileké, 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

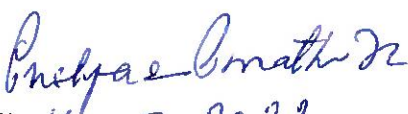
The Generalate and the Sisters are part of the worldwide Congregation of the Daughters of the Cross of Liege. Grants are made by the Charity to Provinces and to other Sisters of the Congregation around the world from time to time.

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.

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	
		<u>921,798</u>		<u>571,619</u>	
Creditors: amounts falling due within one year	13	<u>(377,709)</u>		<u>(191,267)</u>	
Net current assets			<u>544,089</u>		<u>380,352</u>
Total assets less current liabilities			<u>19,309,140</u>		<u>17,551,006</u>
Creditors: amounts falling due after more than one year	14		<u>(1,321,045)</u>		<u>(1,815,010)</u>
Total net assets			<u>17,988,095</u>		<u>15,735,996</u>
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		<u>2,350,000</u>		<u>1,790,000</u>	
			<u>12,540,575</u>		<u>10,874,392</u>
. General funds			<u>25,000</u>		<u>25,000</u>
			<u>17,988,095</u>		<u>15,735,996</u>

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
	10,874,392	1,747,459	(81,276)	12,540,575

	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
	10,025,554	975,657	(126,819)	10,874,392

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		Restricted funds	Endowment funds	Total 2021
	General fund	Designated 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		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

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.