

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

**Annual Report and Financial
Statements**

31 December 2022

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

Charity Registration Number 1142490

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Reference and administrative information

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

Trustees' report 31 December 2022

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

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

Charitable objectives and activities

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

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

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

The Charity makes grants in the following ways:

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

Charitable objectives and activities (continued)

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

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

The principal activities of the Generalate cover the following:

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

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

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

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

Charitable objectives and activities (continued)

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

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

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

Generalate Visits and Meetings

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

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

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

Charitable objectives and activities (continued)

Training

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

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

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

Trustees' meetings

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

General Finance Advisory Committee

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

Achievements and performance

Grants made

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

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

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

Achievements and performance (continued)

Grants made (continued)

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

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

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

Formation and training

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

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

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

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

Achievements and performance (continued)

The Generalate

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

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

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

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

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

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

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

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

Achievements and performance (continued)

The Generalate (continued)

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

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

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

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

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

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

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

Achievements and performance (continued)

The Generalate (continued)

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

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

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

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

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

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

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

Achievements and performance (continued)

The Generalate (continued)

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

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

Financial review

Results for the year

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

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

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

Investment policy and performance

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

Financial review (continued)

Investment policy and performance (continued)

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

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

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

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

Reserves policy and financial position

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

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

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

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

Financial review (continued)

Reserves policy and financial position (continued)

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

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

Plans for future periods

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

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

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

Principal risks and uncertainties

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

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

Fundraising

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

Structure, governance and management

Constitution

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

Structure, governance and management (continued)

Trustees

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

Trustee

Sister Pushpa Purathur (Superior General)
Sister Mary McLaughlin
Sister Maureen O'Brien
Sister Valerie Miranda
Peter Cousins

Statement of trustees' responsibilities

The trustees are responsible for preparing the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company for that period.

In preparing these financial statements, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102); the Statement of Recommended Practice (Accounting and Reporting by Charities) (the Charities' SORP);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

Each of the trustees confirms that:

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

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

Trustees' report 31 December 2022

Key management personnel

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

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

Related Parties

Worldwide Congregation

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

Approved by the trustees and signed on their behalf by:

Trustee:

Approved on:

Preshaz Smith
16-08-2023

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

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have identified no material misstatements in the trustees' report. We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- ◆ adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the trustees' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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

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

Independent auditor's report 31 December 2022

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

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

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

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

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

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

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

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

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

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

Independent auditor's report 31 December 2022

Use of our report

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



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

14 September 2023

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

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

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

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

Comparative statement of financial activities Year to 31 December 2021

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

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

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

Balance sheet 31 December 2022

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

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

Trustee: *Bushpa Bonath Jr*

Approved on: *16-08-2023*

Statement of Cash flows 31 December 2022

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

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

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

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

B Analysis of cash and cash equivalents

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

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

Principal Accounting Policies 31 December 2022

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

Basis of preparation

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

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

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

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

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

Critical accounting estimates and areas of judgement

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

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

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

Assessment of going concern

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

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

Assessment of going concern (continued)

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

Income

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

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

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

Expenditure

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

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

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

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

All expenditure is stated inclusive of irrecoverable VAT.

Investments

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

The Charity only holds units in quoted unitised funds.

Investments (continued)

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

Debtors

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

Cash at bank and in hand

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

Creditors and provisions

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

Foreign currencies

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

Fund structure

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

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

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

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

Notes to the financial statements 31 December 2022

1 Income from donations

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

2 Income from investments

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

3 Other income

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

4 Expenditure on charitable activities:

Funding Generalate

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

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

Notes to the financial statements 31 December 2022

5 Grants and donations

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

6 Support Costs

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

Governance costs are made up as follows:

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

7 Net (deficit) income and net movement in funds

This is stated after charging:

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

Notes to the financial statements 31 December 2022

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

8 Key management personnel

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

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

8 Taxation

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

9 Investments

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

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

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

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

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

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

Notes to the financial statements 31 December 2022

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

9 Investments (continued)

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

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

10 Debtors

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

11 Creditors: amounts falling due within one year

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

12 Creditors: amounts falling due after more than one year

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

13 Restricted funds

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

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

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

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

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

14 Endowment fund

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

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

Notes to the financial statements 31 December 2022

14 Endowment fund (continued)

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

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

15 Designated funds

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

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

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

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

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

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

15 Designated funds (continued)

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

16 Analysis of net assets between funds

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

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

Notes to the financial statements 31 December 2022

16 Analysis of net assets between funds (continued)

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

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

17 Related party transactions

Worldwide Congregation

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

18 Prior Period Adjustment

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

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