

**Sisters of the Holy Cross
CIO**

Annual Report and Accounts

31 December 2023

Charity Registration Number 1195162

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Reference and administrative information

Trustees	Sister Imelda Fleming Sister Ursula Eberhardt Sister Elizabeth O'Donohoe Sister Margaret Donovan
Leader	Sister Imelda Fleming
Bursar	Sister Margaret Donovan
Administrative Address	The Grange Grange Road Chalfont St Peter SL9 9AH
Registered Address	41 Westbury Road New Malden KT3 5AX
Charity Registration Number	1195162
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	HSBC Bank plc 73 High Street Watford Hertfordshire WD17 2DS
Property Advisers	Gerald Eve LLP 72 Welbeck Street London W1G 0AY
Solicitors	Pothecary Witham Weld 70 St George's Square London SW1V 3RD

Reference and administrative information

Investment Managers

BlackRock Investment Management (UK)
Limited
12 Throgmorton Avenue
London
EC2N 2DL

Rathbone Investment Management Limited
Port of Liverpool Building
Pier Head
Liverpool
L3 1NW

Sarasin & Partners LLP
Juxon House
100 St Paul's Churchyard
London
EC4M 8BU

The trustees present their statutory report, together with the accounts of the Sisters of the Holy Cross, CIO, for the year ended 31 December 2023.

The accounts have been prepared in accordance with the accounting policies set out on pages 32 to 36 of the attached accounts and comply with the charity's trust deed, 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).

INTRODUCTION

The Congregation of the Sisters of the Holy Cross (the Congregation) was founded in Switzerland in 1844 by Mother Bernarda Heimgartner. The Congregation is of Pontifical Right. The sisters work in Southern Africa, India, Iraq, Sri Lanka, Latin America, Germany, Switzerland, Italy, Northern Ireland and England. The sisters first came to England in 1902 and at the beginning lived in Wimbledon.

The accounts accompanying this report are the accounts of Sisters of the Holy Cross CIO on which the assets of the English Province of the Congregation were held and through which its finances operated. The charity is governed by a constitution dated 14 July 2021 and is registered under the Charities Act 2011, Charity Registration No. 1195162.

The Charity was dormant until midnight on 31 December 2022 and until that time had no assets and no liabilities. With effect from midnight on 31 December 2022, the assets and liabilities of Sisters of the Holy Cross Charitable Trust (Charity Registration Number is 238426), excluding those relating to Sisters of the Holy Cross Preparatory School, were transferred to the Charity in accordance with a legal transfer of undertakings deed.

MISSION

The Sisters of the Holy Cross CIO aims to support the religious and other charitable works carried on by the members of the Congregation.

When setting the objectives and planning the work of the charity for the period, and when encouraging the work of individual sisters, the trustees have given careful consideration to the Charity Commission's guidance on public benefit.

The ministries of the sisters of the Congregation in England benefit numerous members of the general public. They fall into the following main areas:

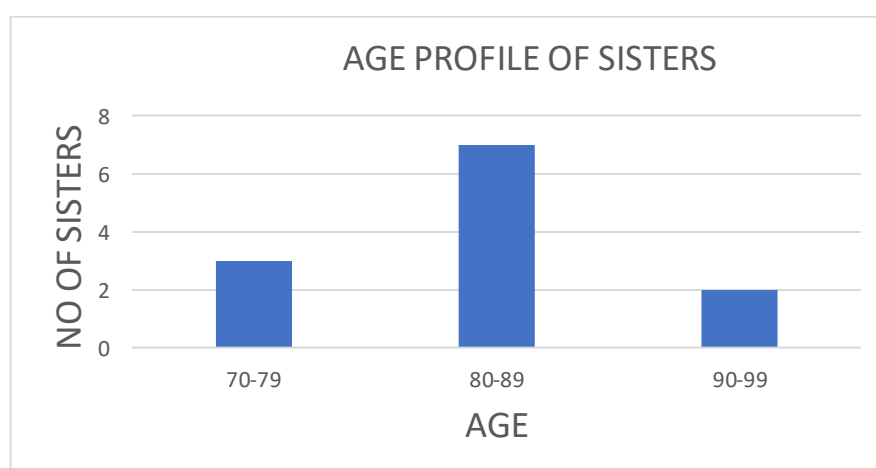
- ◆ Caring for members of the Congregation.
- ◆ The provision of care, social, pastoral and counselling services by individual sisters.
- ◆ Support of the overseas missionary work of the Congregation and the provision of grants and donations to other organisations with objectives consistent with those of the charity.

ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES

Caring for members of the Congregation

In common with many religious congregations in England, the age profile of the sisters is increasing towards the older age groups.

The age profile of the sisters in the English Province at 31 December 2023 is shown graphically below:



The Congregation has an obligation to provide care for its members, none of whom has resources of their own and all of whom have devoted a significant part of their lives to the work of the congregation. As a consequence of the age profile of the sisters, the trustees are giving careful consideration to the health and needs of the sisters, the property requirements of the Province and their financial implications. The aims of the trustees in the forthcoming years include:

- ◆ Ensuring the sisters receive the high level of care that they require;
- ◆ Enabling all sisters to continue with their ministries for as long as possible; and
- ◆ Reviewing the charity's properties and assessing their suitability for the elderly.

Social and pastoral work

The following are some examples of social and pastoral work undertaken by the sisters:

- ◆ Caring for sisters of the Congregation in need;
- ◆ Working in parishes including visiting, helping in catechetical programmes, and assisting parishioners to develop their spiritual life;
- ◆ Spiritual direction and guiding prayer groups;
- ◆ Teaching in schools;

ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES (continued)

Social and pastoral work (continued)

- ◆ Visiting the elderly and infirm;
- ◆ Supporting the homeless;
- ◆ Working with environmental groups;
- ◆ Working with groups that combat trafficking; and
- ◆ Teaching immigrants

The aims of the trustees of the charity include:

- ◆ Enabling all sisters of the Province to carry out their works of charity within the community after assessing their skills and the needs of the local area;
- ◆ Encouraging and motivating the sisters to work with and assist the poor, elderly and marginalised; and
- ◆ When possible, ensuring that the sisters are remunerated for such work by way of salary or stipend. Such income is donated to the charity, and this helps ensure that the work of the sisters and the charity may continue into the future and develop.

Support of overseas missionary work and the provision of grants and donations

During the period, the charity supported the work of the sisters of the Congregation in developing countries. The money donated to the Congregation by the English Province is administered by the General Administration in Switzerland. Funds are transferred only when requested by the sisters on the mission field. The Generalate receives regular reports on how this money is spent by the sisters in India, Sri Lanka, Lesotho, Zambia and the Cape Province, and in turn informs the trustees. In consultation with the Generalate in Switzerland, when appropriate, the trustees decide on the amount of donations and other payments in support of missionary work and ministry.

In addition to supporting the work of the Congregation overseas, the charity also provides grants to other organisations with objectives consistent with its own. Details of the charity's grant making policy and the approach to grant making are given later in this report.

ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES (continued)

Investment policy

The charity's investments are managed by BlackRock Investment Management (UK) Limited, Rathbone Investment Management Limited and Sarasin & Partners LLP. There are no restrictions on the charity's power to invest. The investment strategy set by the trustees takes into account income requirements, the risk profile and the investment managers' views of the market prospects in the medium term. The strategy is to maximise total returns, within acceptable levels of risk.

Pope Francis' encyclical, *Laudato Si*, has encouraged the Sisters of the Holy Cross to focus on care of creation. For some time, we have been urging our investment managers to reduce reliance on fossil fuels. We have realised that engagement with these companies only has limited success. We have now informed our investors that we have decided to gradually disinvest from fossil fuels, and thus work towards a zero-carbon future.

In the light of new technologies and developments in science, we are constantly reviewing our attitude to ethical issues. We look at which companies are not in line with Catholic Social Teaching, discuss these issues with our investment managers, and ask them to take appropriate action.

There is an ethical policy precluding investment in any organisation, which, after reasonable enquiry, clearly has significant profits from an activity that is contrary to the objectives of the Catholic Church.

The trustees meet regularly with the investment managers to review the performance of the portfolio and the investment strategy.

Caring for members of the Congregation

The charity continued to assist the active members of the Congregation in their charitable and religious work. Any salary or stipend received by a sister was donated to the charity. In addition, the charity supported several members to work as volunteers in their chosen ministries. The charity continued to provide for those sisters who need additional support and care.

ACHIEVEMENTS AND PERFORMANCE

Social and pastoral work

The sisters continue their social and pastoral care work as described earlier. This includes:

- ◆ One sister works part-time in administration in a retreat centre;
- ◆ One sister teaches religious studies in a school;
- ◆ Some sisters accompany people for spiritual direction;

ACHIEVEMENTS AND PERFORMANCE

Social and pastoral work (continued)

- ◆ One Sister prepares children for the Sacraments;
- ◆ Many sisters support our older and infirm sisters;
- ◆ One sister works part-time at the Coombe as a pastoral coordinator;
- ◆ One sister works with Interfaith within the Westminster Diocese;
- ◆ One sister is an educator on ecological issues;
- ◆ Three sisters work within their parishes on justice and peace issues;
- ◆ One sister works with groups engaged in support of trafficked people;
- ◆ One sister works with vulnerable women at a Centre; and
- ◆ One sister teaches girls who have recently arrived in the Country and have no school to attend.

Support of overseas missionary work and the provision of grants and donations

Overseas missionary work

The Sisters of the Holy Cross in England give the Congregation Leadership Team (CLT) money for Initial and On Going Formation. They distribute the money to various Provinces, according to needs and the number of people in formation.

Initial Formation includes providing programs for those considering Religious Life. A number of 'Come and See' gatherings are organized.

On-Going Formation strengthens a sister in her Religious vocation and also equips her for her chosen mission in life.

Below is a quotation from three young Sisters who were sponsored by the Sisters of the English Province to participate in a six month Formation course in Rome.

"The Program has provided us with many opportunities for personal growth and transformation. The content was holistic, touching all aspects of our lives. The program provided us with opportunities to pray, and grow in communion with each other, in our diverse personalities, age, culture, charisms and nationalities. The Group Dynamics were enriching, and inspiring and it enabled us to see that despite our differences, we walk the same path, share the same call and move to the same goal".

ACHIEVEMENTS AND PERFORMANCE (continued)

Support of overseas missionary work and the provision of grants and donations (continued)

Overseas missionary work (continued)

Ongoing formation helps the Sisters to deepen their spirituality and respond to the demands of the mission and challenges in the world.



Three Holy Cross Sisters attending Formation Course in Rome



Sister in Initial formation is studying for her degree in the foundation phase, as an Educator as well as a three year course in Theology.



Education of children in the missions



Sister teaching a young child in Chile to read



ACHIEVEMENTS AND PERFORMANCE (continued)

Support of overseas missionary work and the provision of grants and donations
(continued)

Overseas missionary work (continued)



Learning about Life in a hospice including training to be Nurses and caring for patients in a hospice



Sisters sharing community life - cooking and housekeeping.

For young sisters, community living becomes an important aspect in developing skills. Sisters learn to interpret their spirituality with community life and apostolic service.

ACHIEVEMENTS AND PERFORMANCE (continued)

Support of overseas missionary work and the provision of grants and donations (continued)

Overseas missionary work (continued)



Sisters in initial formation continue their professional training for various ministries, teacher training, nursing, social work or other occupations.



Formation helps candidates to discover, assimilate and deepen their identity as a child of God, set apart for a special mission and purpose – to be His credible witness by their transformation into the person of Jesus Christ.

ACHIEVEMENTS AND PERFORMANCE (continued)

Support of overseas missionary work and the provision of grants and donations (continued)

Scope of Grant-Making

The primary focus of our grant-making is the support of holistically educational and/or faith projects within the four Roman Catholic dioceses of Northampton, Westminster, Southwark and Brentwood; these are 'preferred' (geographically) due to the fact that members of the congregation still live in each of the four dioceses. The projects must benefit young people (up to and including age 25) and/or the marginalised, disadvantaged and vulnerable sectors of society (not age-dependent). The eligibility criteria and scope are publicised at our website [Grant Making — Sisters of the Holy Cross \(holycrossengland.org.uk\)](https://holycrossengland.org.uk). Projects which fall outside the publicised eligibility criteria, or where the grant requested exceeds the published financial limits, may be considered by the trustees on an exceptional basis.

The majority of applicants learn of our grant-making through recommendations and referrals, either from trust fundraisers employed by the four 'preferred' dioceses or from previous beneficiaries. A proportion of applicants do find out about it through internet searches. A number of grant requests in this financial year have been re-applications from previous beneficiaries (**34%**), although the year has fielded a higher percentage (**66%**) of new applicants. The publicised scope of our grant-making states that grants will be awarded for a maximum of 2 years but does not categorically rule-out further assistance beyond that. Flexibility is possible in cases where previous grant awards have been modest rather than maximum, and in cases where emergency funding is required to safeguard the future of an organisation / project. The trustees generally limit maximum awards to £20K.

Statistics & Finance

The financial year opened with grant commitments of **£273,960** brought forward from previous years and transferred from Sisters of the Holy Cross Charitable Trust. However, one commitment of £15,000 (made in July 2022) was cancelled in November 2023, thereby reducing the 'brought forward' commitment total to **£258,960**.

The trustees met to consider new applications in March, July and November 2023. A total of **46** grant applications were considered, resulting in **45** awards to the value of **£846,715**. These 45 awards are listed in the next section. In-year payments totalled **£849,225** and the period closed with grant commitments of **£256,450** carried forward.

ACHIEVEMENTS AND PERFORMANCE (continued)

Statistics & Finance (continued)

	Applications considered	Grants Awarded	Value of Grants awarded 2023
March 2023 Meeting	16	15	£293,100
July 2023 Meeting	14	14	£275,000
November 2023 Meeting	16	16	£278,615
Totals	46	45	£846,715

Grants awarded in FY 2023

March 2023

1	Music4Wellbeing	Regenerate: Get Well Kent (80 activity sessions)
2a	Centre for ADHD & Autism Support (Yr1)	0.35 FTE Youth Worker- salary contribution (Yr1)
2b	Centre for ADHD & Autism Support (Yr2)	0.35 FTE Youth Worker- salary contribution (Yr2)
3a	Haringey Migrant Support Centre (Yr1)	Advice and Casework staff - 2 x salary contribs (Yr1)
3b	Haringey Migrant Support Centre (Yr2)	Advice and Casework staff - 2 x salary contribs (Yr2)
4	Kids Alive International	Helping Children in Karundas (Kenya) @ Hall Mead
5	Newham Catholic Deanery	Deanery Youth Worker (new post) - salary contribution
6	The Little Sisters of the Poor	Agency staff costs - St Anne's & St Peter's care homes
7	Housing Justice	Faith in Affordable Housing project - in London
8	Catholic Worker Farm	Monthly [annual] rental costs
9	Community of Christ Prince of Peace	New Dawn Family Pilgrimage 2023 - ARC / op costs
10a	Education Commission RCAOS (Yr1)	Senior Chaplaincy specialist (salary contribution) -
10b	Education Commission RCAOS (Yr2)	Expansion of apprenticeship programme
11	Life	Housing Support Worker (Northampton House) - salary contrib
12	Baytree Centre	Mentor Manager - salary contribution
13	Thomas Becket Catholic School	Creation of zoned spaces within SEN base
14	CJM Music	Teach Us to Pray schools programme - devpt costs
15	theASCENT	10 Year Anniversary Retreat

ACHIEVEMENTS AND PERFORMANCE (continued)

Statistics & Finance (continued)

Grants awarded in FY 2023 (continued)

July 2023

16	Blossom Antenatal	Baby bank provision (full-time) in Harrow
17	West London Mission	Hd of Counselling / Snr Counselling Admin (salaries)
18a	Fairbeats Music (Yr1)	Youth Worker / General Manager (salaries) - Yr 1
18b	Fairbeats Music (Yr2)	Youth Worker / General Manager (salaries) - Yr 2
19a	Harlington Hospice (Yr1)	CABS Psychotherapist salary contribution - Yr 1
19b	Harlington Hospice (Yr2)	CABS Psychotherapist salary contribution - Yr 2
20	Bishop's Stortford Youth Project	Annual operating costs
21	Accuro	Annual operating costs
22	Feed the Minds	Annual operating costs
23	The Tablet Trust	Supply of The Tablet free-of-charge to schools
24	Hackney Doorways	Annual operating costs
25	One Hope Project	National Director (new post) - salary contribution
26	Caritas St Joseph's	ARC Caritas St Joseph Family Support and Outreach Service
27	Las Casas Institute	CCT Project - Project Lead & Project Consultant salaries
28	Fulham Good Neighbours	Contribution to 3 x salaries
29	OFD Catholic Charismatic Community	Costs of creating open retreats for young people

ACHIEVEMENTS AND PERFORMANCE (continued)

Statistics & Finance (continued)

Grants awarded in FY 2023 (continued)

November 2023

30	re:generation Harrow	Annual running costs
31	ORCHYD	Annual running costs / summer residential camp
32	HACS	Salary contrib - Children & Young People's Service Manager
33	Pilgrim Ways	Year 2 administrative / running costs
34	The Catholic Union	Annual running costs
35a	St Vincent's Centre Southend (Yr 1)	Salary contrib - Programmes & Activities Coordinator
35b	St Vincent's Centre Southend (Yr 2)	Salary contrib - Programmes & Activities Coordinator
36	Catholic Unscripted	Annual running costs
37	March for Life	Rethink Abortion Day(s) costs
38	Kingston Churches Action on Homelessness	Housing Crisis Intervention Service - running costs
39a	Spitalfields Crypt Trust (Yr 1)	Salary contrib - Therapeutic Programmes Mgr (Yr1)
39b	Spitalfields Crypt Trust (Yr 2)	Salary contrib - Therapeutic Programmes Mgr (Yr2)
40	Baptism Box (Shrewsbury diocese)	Initial production costs (Baptism Box)
41	Friends of the Holy Land	Education Bursary Fund (14 students)
42	Youth Strategy - RCAoS	Youth Days for 10 -16 year olds - running costs
43	Catholic-Muslim YP leadership programme	Catholic-Muslim YP Leadership Project
44	Wintershall CIO	Salaries contrib - Education Officer & Education Team staff
45	St John Bosco Children's Camp	Annual running costs

Visits to Beneficiaries

The following visits were undertaken by the trustees, in order to engage with both past and present beneficiaries:

Beneficiary	Event	Date
Baytree Centre	Acquaintance visit	18 Jan 2023
Prison Advice and Care Trust	Supporters' Mass and Roadshow	20 Jun 2023
Catholic Worker Farm	Benefactors' Dinner	22 Jul 2023
Jesuit Refugee Service UK	Founders' Day Service	14 Nov 2023

Progress Reports

Progress reports for a majority of projects in receipt of our grant funding were scheduled, received and assessed (initially) by the Grants Administrator. These reports are particularly important in assisting the trustees to decide whether or not to consider re-applications for further funding.

ACHIEVEMENTS AND PERFORMANCE (continued)

Some Projects Supported



The Baytree Centre is an educational charity for women and girls, based in the heart of Brixton, south London. An integral part of the community since 1991, the centre provides holistic support through personal development activities and workshops, mentoring, coaching, as well as English classes and integration support for newly arrived migrants and refugees. In March 2023 we awarded a grant of £20,000 towards the Mentor Manager's salary.

Fairbeats is a music charity working with young refugees, asylum seekers, newly arrived migrants and their families. It works with community centres across south London, engaging with families from all over the world. Young people are brought together through music-making and other artistic activities in a way that is creative, relaxed, dynamic and fun. In July 2023 we awarded a grant of £20,000 for each of 2 years, towards salaries of both a Fairbeats youth worker and general manager.



ORCHYD was set up in 1971 when members of the Ruislip Christian Council got together with Scope to run a residential summer holiday scheme for children with physical disabilities. Although Scope is no longer involved, the core purpose is the same: to provide an amazing summer holiday for disabled children. In recent years, ORCHYD has expanded and has regular day trip and weekend schemes - even taking a group to Disneyland Paris! In November 2023 we awarded a grant of £15,000 towards the running costs of activities in 2024.

The work of Spitalfields Crypt Trust started in 1965, when a soup kitchen and night shelter was established from the crypt of Christ Church, Spitalfields. Fast forward to today: SCT runs an addiction treatment centre, offering personal development and training services for people in



recovery, alongside a number of social enterprises. SCT's pioneering approach embodies best-practice around addiction recovery by treating the whole person and their needs. The charity's work has been inspired and motivated by Christian faith and values; the life and teaching of Jesus is characterised by a love which is honest and challenging, accepting and healing. The future vision is a society where anyone with drug or alcohol addictions and complex needs can transform their life. In November 2023 we awarded a grant of £20,000 for each of 2 years, towards salary of the Therapeutic Programmes Manager.

FINANCIAL REVIEW

Results for the period

A summary of the period's results can be found on page 28 of the attached accounts. The charity was incorporated on 14 July 2021 but did not become active until 1 January 2023, therefore no comparative figures are presented.

Total income in the period was £52,781,276. Net assets transferred to the Charity from Sisters of the Holy Cross Charitable Trust (Charity Registration Number 238426) as at midnight on 31 December 2022 amounted to £51,191,636 (comprising £0.5m general funds and £50.5m designated funds).

Total expenditure in the period was £2,769,405. Expenditure of £1,053,004 was incurred on maintaining sisters and enabling them to carry out their work. Expenditure of £1,659,758 was incurred on grants, donations and support of missionary work and ministry. The charity awarded grants of £849,225 as per note 7 to the accounts.

Therefore, the net income for the period before investment gains was £50,011,871. Net investment gains amounted to £1,705,951.

The resultant net income i.e. the net surplus in funds for the year was £51,717,822 giving rise to total funds at 31 December 2023 of £51,717,822.

Investment performance

During the year, the charity's investments achieved an income yield of 2.9% and a capital yield of 5%. The investment managers continued to invest in accordance with the trustees' investment policy set out earlier in this report. At the end of the period, the charity's portfolio of listed investments comprised 42% Alpha CIF for Endowment income units, 13% UK equities, 17% UK unit trusts, 11% overseas equities and 1% cash instruments.

Financial position

The balance sheet shows total funds of £51,717,822 at 31 December 2023.

As stated earlier in this report, the assets and liabilities of Sisters of the Holy Cross Charitable Trust (Charity Registration Number is 238426), excluding those to Holy Cross Preparatory School, were transferred to the Charity with effect from midnight on 31 December 2022.

The designated funds which had a balance of £39.7 million at 31 December 2023 comprised a retirement reserve of £4.5million, a grant fund of £33.2million and a School Emergency fund of £2m. This grant fund comprises monies that have been invested with the intention of generating income that will be applied towards the provision of grants to support the Congregation's work overseas, to support other projects based overseas but overseen or administered by other Roman Catholic Congregations and to support UK charities and individuals for purposes consistent with the charitable objectives of the Sisters of the Holy Cross CIO. Details of all designated funds are given in note 18 of the attached accounts.

FINANCIAL REVIEW (continued)

Financial position (continued)

Free reserves available to support the sisters and their work generally in the future are shown on the balance sheet as the general fund and amounted to £1,174,596 at 31 December 2023. The trustees have examined the requirement for free reserves i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. The trustees consider that, given the nature of the Congregation's work, the cost of caring for the sisters and maintaining the convents etc, the level of free reserves should be approximately twelve months annual expenditure (excluding grants payable) to provide for contingencies and unevenness in future outcome. At 31 December 2023 the level of free reserves required under this policy would be approximately £1.1million.

At the date of the balance sheet, the level of free reserves is in accordance with the policy above, the trustees are content with the charity's level of general funds or free reserves and consider them to be adequate but not excessive.

PLANS FOR FUTURE PERIODS

Plans include the following:

- ◆ To monitor the needs of the Sisters and to respond as necessary.
- ◆ To continue collaborating with Holy Cross Sisters in various countries of the world.
- ◆ To continue supporting Sisters in other parts of the Congregation.
- ◆ To review the Safeguarding structures in accordance with the Standards set out by the CSSA (Catholic Safeguarding Standards Agency).
- ◆ To ensure Sisters and employees have the necessary training making use of the courses provided by the RLSS (Religious Life Safeguarding Service).
- ◆ To review the charities' risk assessments and policies.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governance

In terms of Canon Law, the Congregation is governed at an international level by the Congregational Leader and her General Council in Switzerland. They are elected every six years at a General Chapter. During the year to 31 December 2023, the English Province was governed by the Provincial Leader and her Provincial Council. There was a system of accountability throughout the Province to ensure that the Provincial Leader and her Councillors were aware of the ministries carried out by the sisters of the Province. The Congregational Leader makes a visit to the English Province at least once every six years.

From 1 January 2023 the sisters in England no longer form a Province, but have a Covenant Leader from another Province and a Local Leader in England, with two Councillors. These three Sisters are the Trustees alongside the bursar.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Governance (continued)

In terms of civil law, the charity is governed by its constitution and trustees.

All trustees have knowledge of the charity and of its structures. They meet with the Congregation's legal, accounting and investment advisers during the course of the period to obtain a full briefing of their responsibilities and the charity's position. The trustees attend courses and workshops on the role of trustees and share the information with the other trustees.

The trustees in office during this present period are;

Sister Imelda Fleming

Sister Imelda took over as Leader of the sisters of the Holy Cross in England from Sister Margaret Donovan, who had completed her term of Office on January 1 2023. Since making her profession as a Sister of the Holy Cross, Sister Imelda trained as a Secondary School Teacher at Notre Dame Teacher Training College in Liverpool and obtained a B.Ed. from Liverpool University. She taught at Holy Cross Convent School at the Grange and later at Marion High School on the Wirral. Later she trained as a Social Worker and worked for sixteen years in the field of Social Work in Adoption and Fostering, with the Catholic Children's Society, Westminster. For the last ten years she was Provincial Bursar for Sisters of the Holy Cross in England.

Sister Ursula Eberhardt

Sister Ursula completed her teacher training at Digby Stuart College, London. Later she studied for a Theology Degree Hons at Kings College London for three years. She taught in various schools, including 17 years as Deputy Head at Holy Cross Preparatory School in Kingston and then a further seven years at the school before stepping down from classroom teaching. She is engaged in a voluntary capacity at Holy Cross Preparatory School in a pastoral care capacity. She also co-ordinates the First Communion classes at St Ann's R.C. Church as well as being involved with other parish work.

Sister Elizabeth O'Donohoe

Sister Elizabeth O'Donohoe was educated by the Sisters of the Holy Cross at the Grange, Buckinghamshire. After entering the Order, she did the BA and Teachers Certificate at St Mary's College Twickenham. Having graduated, she taught at the Holy Cross convent school, New Malden for twelve years, and then went to train as a Spiritual Director at St Beuno's in North Wales. There followed ten years in the Chaplaincy of Brunel University before going to Westminster Pastoral Foundation for training as a counsellor and psychotherapist. At the same time as training, she was invited to work, part-time with the inter-faith team of the Westminster Archdiocese which she continued to do throughout the years as a councillor and psychotherapist. At the end of 2016, she retired from her work as a therapist but continued her involvement in interfaith work till 2022.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Governance (continued)

Sister Margaret Donovan

Sister Margaret taught at Holy Cross Catholic Girl's School in New Malden. She was one of the Assistant Heads for 10 years, responsible for spirituality and the daily running of the school. She taught Religious Education and Mathematics. Sister Margaret trained at Digby Stuart College in Roehampton, has an MA in Religion and Education from St Mary's University and also studied for a year in Rome. She is a Foundation Governor for Holy Cross Catholic Girl's School in New Malden. Sister Margaret works with young people to help them discern what God is asking of them in life. She is also supporting education links with Holy Cross Convent School in Lusaka, Zambia.

Statement of trustees' responsibilities

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

The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period.

In preparing these accounts, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the 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);
- ◆ 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 accounts; and
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity 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 charity and enable them to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations and the provisions of the constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Structure and management reporting

The trustees are responsible for the policies, activities and assets of the charity. They meet regularly to review developments with regards to the charity and its activities and make any important decisions. When necessary, the trustees seek advice and support from the charity's professional advisers, including property consultants, investment managers, solicitors and accountants.

There are 12 sisters in England. One community is situated in Buckinghamshire and the rest are in or near London. The Leader for the Holy Cross Sisters in England communicates and visits the sisters throughout the year and ensures their wellbeing.

During the year a new property in New Malden was purchased.

Key management personnel

The trustees consider that during the period they comprised the key management of the charity in charge of directing, controlling, running and operating the charity on a day-to-day basis.

The trustees are all members of the Congregation and, whilst their living and personal expenses were borne by the charity, they received no remuneration or reimbursement of expenses in connection with their duties as trustees or key management.

All staff employed by the charity were required to have Disclosure and Barring Service (DBS) checks before commencing employment.

Broadly speaking the risks that have been faced by them may be categorised under governance and management, operational risks, financial risks, reputational risks and risks brought about by external circumstances such as changes in law, regulations and government policies.

Working with other organisations

The charity has worked closely with a number of other charities and public bodies which work in the field of education and which enhance communication and understanding of the educational needs of the students at The Coombe. The School is an active member of the Independent Association of Preparatory Schools (IAPS), a body acting for the promotion and maintenance of preparatory schools generally.

The charity has cooperated and worked closely with the following organisations:

- ♦ The Northampton, Southwark, and Westminster Roman Catholic Dioceses;
- ♦ Kingston Education Authority; and
- ♦ English Heritage.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Raising funds

The charity has aimed to achieve best practice in the way in which it communicates with donors and other supporters. It has taken care with both the tone of its communications and the accuracy of its data to minimise the pressures on supporters. It has applied best practice to protect supporters' data and never sells data, it has never swapped data and it has ensured that communication preferences could be changed at any time. The charity managed its own fundraising activities and has not employed the services of professional fundraisers. The charity has undertaken to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service. During the year, the charity received no complaints about its fundraising activities.

Risk assessment and control

The main areas of risk that have been faced by the charity along with the measures in place to mitigate them, are as follows:

- ◆ There is both a moral and legal obligation to care for the older members. None of the members of the Congregation have resources of their own as all earnings, pensions and other income have been donated to the charity under a Gift Aid compliant Deed of Covenant. As the age profile increases, so too does the need to provide care for the sisters. Key elements of the management of this risk are: (a) ensuring that the charity has the available financial resources to finance this care both now and in the years ahead by setting aside assets in a designated fund, the value of which has been based on actuarial principles; and (b) ensuring that processes are in place to review regularly the ministries and needs of individual sisters, encouraging those who need it to take on less demanding ministries and for identifying those who need extra care and help.
- ◆ The charity, includes vulnerable adults and older people. The Charity has a safeguarding policy, which all employees are aware of, and trustees attend workshops and seminars to ensure they are up to date with changing legislation.
- ◆ The charity donates monies in support of the wider Congregation and other organisations. Most donations sent overseas are to fund projects administered directly by members of the Congregation. Whether or not the funds are used here in Great Britain or overseas, the trustees always ensure that they are fully briefed about and familiar with the work of a potential recipient of funds, that funds are transferred via bank transfer, that proof of receipt is obtained and that, wherever possible (and always in the case of monies sent overseas), a written report of how the monies have been utilised and applied is obtained from the recipient.
- ◆ The charity's principal asset comprises listed investments, the value of which is dependent on movements in UK and world stock markets. The investments are managed by reputable investment managers who adhere to a policy agreed by the trustees. The trustees meet regularly with the investment managers and their performance and that of the portfolios is monitored. The investment strategy is assessed regularly to ensure it remains appropriate to the charities.

Trustees' report Year ended 31 December 2023

EMPLOYEES, VOLUNTEERS, AND MEMBERS OF THE CONGREGATION

The trustees would like to record their recognition of the professionalism and commitment of all the staff, volunteer friends of the Holy Cross, and the individual members of the Congregation and to say how much they have appreciated their support.

Signed on behalf of the trustees:

Brigid Fleming
Trustee

Approved by the trustees on: 4 September 2024

Independent auditor's report to the trustees of Sisters of the Holy Cross CIO

Opinion

We have audited the accounts of Sisters of the Holy Cross CIO (the 'charity') for the year ended which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 December 2023 and of its incoming resources and application of resources 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 Charities Act 2011.

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 accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts 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 accounts, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the accounts 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 charity's ability to continue as a going concern for a period of at least twelve months from when the accounts are authorised for issue.

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

Other information

The other information comprises the information included in the Annual Report, including the trustees' report other than the accounts and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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 not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- ◆ the information given in the trustees' annual report is inconsistent in any material respect with the accounts; or
- ◆ sufficient accounting records have not been kept; or
- ◆ the accounts are not in agreement with the accounting records; or
- ◆ we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 19, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

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

How the audit was considered capable of detecting irregularities including fraud

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 engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ We identified the laws and regulations applicable to the charity through discussions with management and trustees and from our knowledge and experience of the charity sector;
- ◆ We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to the Charities Act 2011 and 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); and
- ◆ We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and those charged with governance and review of minutes of trustees' meetings.

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 trustees as to where they considered there was susceptibility to fraud, 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.

Auditor's responsibilities for the audit of the accounts (continued)

How the audit was considered capable of detecting irregularities including fraud
(continued)

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

- ◆ Performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ Tested and reviewed journal entries to identify unusual transactions;
- ◆ Carried out substantive testing of expenditure including the authorisation thereof;
- ◆ Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- ◆ Investigated the rationale behind significant or unusual transactions.

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

- ◆ Agreeing financial statement disclosures to underlying supporting documentation;
- ◆ Reading the minutes of meetings of trustees; and
- ◆ Enquiring of 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 for the audit of the financial statements is located 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 charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Statement of financial activities Year ended 31 December 2023

	Notes	Total funds Year ended 31 December 2023 £	Total funds Period ended 31 December 2022 £
Income from:			
Donations	1	257,393	—
Investments and bank deposits	2	1,186,327	—
Charitable activities			
. Rental income	3	143,750	—
Other income		2,170	—
Income before funds transferred in		1,589,640	—
Transfer from Sisters of the Holy Cross Charitable Trust (Charity Registration Number 238426)	22	51,191,636	—
Total income		52,781,276	—
Expenditure on:			
Raising funds			
. Investment management costs	4	56,643	—
Charitable activities			
. Support of members of the Congregation and their ministry	5	1,053,004	—
. Grants, donations and support of missionary work and ministry	6	1,659,758	—
Total expenditure		2,769,405	—
Net income for the year before investment gains		50,011,871	—
Net gains on the revaluation and disposal of investments	14	1,705,951	—
Net income and net movement in funds		51,717,822	—
Reconciliation of funds:			
Fund balances brought forward at 1 January 2023		—	—
Fund balances carried forward at 31 December 2023		51,717,822	—

All income and expenditure in the above relates to unrestricted funds.

The CIO was registered with Charity Commission on 14 July 2021 and remained dormant until 31 December 2022.

With effect from midnight on 31 December 2022, the activities, transactions, assets and liabilities of Sisters of the Holy Cross Charitable Trust (Charity Registration No 238426) excluding the activities of the Holy Cross Preparatory School, were transferred to Sisters of the Holy Cross CIO (see note 23).

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

Balance sheet 31 December 2023

	Notes	31 December 2023 £	31 December 2023 £	31 December 2022 £	31 December 2022 £
Fixed assets					
Tangible assets	13	10,843,226		—	
Investments	14	39,478,314		—	
			50,321,540		—
Current assets					
Debtors	15	68,003		—	
Short term deposits		1,777,067			
Cash at bank and in hand		153,695		—	
		1,998,765		—	
Creditors: amounts falling due within one year	16	(602,483)		—	
Net current assets			1,396,282		—
Total assets less current liabilities			51,717,822		—
Total net assets			51,717,822		—
The funds of the charity:					
Unrestricted funds					
. Tangible fixed asset fund	17	10,843,226			—
. Designated funds	18	39,700,000			—
. General funds		1,174,596			—
Total funds		51,717,822			—

Approved by the trustees
and signed on their behalf by:

Brigid Fleming
Trustee

Approved on: 4 September 2024

Statement of cash flows Year ended 31 December 2023

	Notes	Year ended 31 December 2023 £	Period ended 31 December 2022 £
Cash flows from operating activities:			
Net cash used in operating activities	A	(1,771,230)	—
Cash flows from investing activities:			
Investment income and interest received		1,124,624	—
Purchase of tangible fixed assets		(174,326)	—
Proceeds from the disposal of investments		2,870,156	—
Purchase of investments		(3,041,351)	—
Net cash provided by investing activities		779,103	—
Change in cash and cash equivalents in the period		2,245,414	—
Cash and cash equivalents at 31 December 2023	B	2,245,414	—

Notes to the statement of cash flows for the period from 1 January 2023 to 31 December 2023.

A Reconciliation of net movement in funds to net cash used in operating activities

	Year ended 31 December 2023 £	Period ended 31 December 2022 £
Net movement in funds (as per the statement of financial activities)		
Adjustments for:		
Incoming resources for the year	51,717,822	—
Depreciation charge	302,720	—
Losses (gains) on investments	(1,705,951)	—
Investment income and interest receivable	(1,186,327)	—
(Increase) in debtors	(6,300)	—
Increase in creditors	602,483	—
Transferred in from Sisters of the Holy Cross Charitable Trust (Charity Registration No 238426)	(51,495,677)	—
Net cash used in operating activities	(1,771,230)	—

Statement of cash flows Year ended 31 December 2023

B Analysis of cash and cash equivalents

	Year ended 31 December 2023 £	Period ended 31 December 2022 £
Cash at bank and in hand	153,695	—
Short term deposits	1,777,067	—
Cash held by investment managers	314,652	—
Total cash and cash equivalents	2,245,414	—

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

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

Basis of preparation

These accounts have been prepared for the year to 31 December 2023. Comparative information is displayed for the period from 14 July 2021 to 31 December 2022.

The accounts 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 accounts 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), 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 accounts 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 to make significant judgements and estimates.

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

- ◆ estimating the useful economic life of tangible fixed assets for the purpose of calculating the depreciation charge; and
- ◆ determining the value of designated funds needed at the year end, in particular in respect to the assumptions made in determining the value of the retirement fund.

Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The trustees have made this assessment in respect to a period of at least 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 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 recognition

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

Income comprises donations, investment income and interest receivable, rental income and other income.

Donations, including salaries and pensions of individual religious received under Gift Aid or deed of covenant, are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Investment income is recognised once the dividend has been declared and notification has been received of the amount due.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Rental income comprises rent receivable from Holy Cross Preparatory School Kingston CIO and is recognised when due under the lease agreement.

A surplus on the disposal of tangible fixed assets is defined as the difference between the sale proceeds and the net book value of the asset at the time of disposal and after deducting any costs associated with the disposal. The surplus is recognised at the time when legal completion of the sale takes place.

Miscellaneous income is measured at fair value and accounted for on an accruals basis.

Expenditure recognition

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. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

Expenditure recognition (continued)

- ◆ Expenditure on raising funds includes expenditure associated with raising funds for the charity. This comprises those investment management fees charged directly to the charity. Fees in respect to those investments which comprise pooled investment vehicles, including common investment funds, are inherent within the relevant investment holding. The fees accounted for in this way are included within note 2 to the accounts.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include:
 - ◇ direct and support costs in respect to the support of members of the Congregation and enabling their ministry (including governance costs).
 - ◇ Grants and donations payable include amounts towards the support of the other parts of the worldwide Congregation's and its overseas missions as well as grants to other organisations for purposes consistent with the charity's charitable objectives and which fall within the remit of its grant making policy. Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the grant and has satisfied all performance conditions. Grants approved and communicated to the recipient but not paid at the end of the financial year are accrued. Grants where the beneficiary has not been informed or has to fulfil performance conditions before the grant is released are not accrued for but are disclosed as financial commitments in the notes to the accounts.

All expenditure is stated inclusive of irrecoverable VAT.

Allocation of support and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

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

Support costs and governance costs are allocated directly to support of members of the Congregation and their ministry.

Tangible fixed assets

All assets costing more than £1,500 and with an expected useful life exceeding one year are capitalised.

♦ Freehold land and buildings

Non-specialised buildings are those designed as, and used wholly or mainly for, private residential accommodation. Those that were purchased by the predecessor charity on or prior to 31 August 1993 are stated at a trustees' valuation made, with professional assistance, based on market value for existing use as at that date. Under the transitional arrangements set out in FRS 102, this valuation was deemed to be the cost of the relevant assets as at 1 September 2014. Subsequent additions to non-specialised land and buildings are stated at cost. Such buildings are not depreciated. Their value and condition are reviewed annually by the trustees, who are satisfied that their residual value is not materially less than their book value.

Specialised buildings comprise the school building (let to Holy Cross Preparatory School Kingston) and the convent situated at the Grange Chalfont St Peter, Buckinghamshire. Those that were purchased by the predecessor charity on or prior to 31 August 1993 are stated at a trustees' valuation made, with professional assistance, based on replacement cost for existing use as at that date. Under the transitional arrangements set out in FRS 102, this valuation was deemed to be the cost of the relevant assets as at 1 September 2014. Subsequent additions are stated at cost. Depreciation is provided at 2% per annum on a straight-line basis to write the buildings off over their estimated useful economic life to the charity. Improvements and enhancements to existing buildings are depreciated at 10% per annum on a straight-line basis. The all weather pitch and pavilion at the school are depreciated at 5% per annum on a straight line basis.

♦ Furniture, equipment and motor vehicles

Expenditure on furniture, equipment and motor vehicles is capitalised and depreciated over either a four, five or a ten year period on a straight line basis.

Investments

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

The charity does not acquire put options, derivatives or other complex financial instruments.

As noted above the main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value is acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date.

Investments (continued)

Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

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

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Fund accounting

Designated funds are monies set aside of unrestricted general funds and designated for specific purposes by the trustees.

The tangible fixed assets fund comprises the net book value of the charity's tangible fixed assets, the existence of which is fundamental to the charity being able to perform its charitable work and thereby achieve its charitable objectives. The value represented by such assets should not be regarded, therefore, as realisable.

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

Services provided by members of the Congregation

For the purposes of these accounts, no monetary value has been placed on the administrative and other services provided by the members of the Congregation.

1 Income from: Donations

	Year to 31 December 2023 £	Period to 31 December 2022 £
Salaries and pensions of individual religious received under deed of covenant	257,393	—
	257,393	—

2 Income from: Investments and bank deposits

	Unrestricted	
	Year to 31 December 2023 £	Period to 31 December 2022 £
Income from listed investments	1,096,230	—
Interest on cash held by investment managers	79,457	—
Interest on short-term deposits	10,640	—
	1,186,327	—

3 Income from: Rent receivable

	Unrestricted	
	Year to 31 December 2023 £	Period to 31 December 2022 £
Rent receivable from Holy Cross Preparatory School Kingston	143,750	—

4 Expenditure on: Raising funds

	Unrestricted	
	Year to 31 December 2023 £	Period to 31 December 2022 £
Investment managers' fees	56,643	—

5 Expenditure on: Support of members of the Congregation and their ministry

	Unrestricted	
	Year to 31 December 2023 £	Period to 31 December 2022 £
Staff costs (note 10)	224,811	—
Premises	535,145	—
Sisters' living and ministry expenses	192,471	—
Education, training and spiritual renewal	5,487	—
Governance costs (note 8)	95,090	—
	1,053,004	—

6 Grants, donations and support of missionary work and ministry

	Unrestricted	
	Year to 31 December 2023 £	Period to 31 December 2022 £
Contribution to the Generalate of the Congregation towards formation expenses	248,272	—
Annual contribution to the Generalate of the Congregation		—
Contribution to Holy Cross Preparatory School (note 21)	510,000	—
Donations in support of the Congregation's missions	38,515	—
Grants payable to other organisations (see below)	849,225	—
Grant administration costs	13,749	—
	1,659,758	—

7 Grants, donations and support of missionary work and ministry

Grants payable to other organisations	£
Wave for Change	16,680
Responsibility (ECCR)	20,000
Hope at Home	20,000
St Mary's Bakhita Centre	15,000
Prison Advice and Care Trust	20,000
Irish Chaplaincy	15,000
Anscombe Bioethics Centre	20,950
BCYS Youth Leadership	20,000
St Bernadette's Catholic Primary	5,950
The Mark 10 Mission	20,000
Celebrate Trust	7,500
St Francis of Assisi, Stratford	250
Hackney Migrant Centre	10,000
Music4Wellbeing	20,000
Centre for ADHD & Autism	10,900
Haringey Migrant Support Centre	15,600
Kids Alive International	19,600
Little Sisters of the Poor	20,000
Housing Justice	20,000
Catholic Worker Farm	20,000
Community of Christ Prince of Peace	15,000
Education Commission RCAOS	14,000
Life	20,000
Baytree Centre	20,000
Thomas Beckett Catholic School	10,000
CJM Music	20,000
theASCENT	7,500
West London Mission	20,000
Fairbeats Music	20,000
Harligton Hospice	20,000
Bishops Stortford Youth Project	20,000
Accuro	20,000
Feed the Minds	20,000
The Tablet Trust	10,000
Hackney Doorways	20,000
One Hope Project	20,000
Caritas St Josephs	20,000
Las Casas Institute	15,000
Fulham Good Neighbours	10,000
OFD Catholic Charismatic Community	5,000
re:generation Harrow	5,000
ORCHYD	15,000
HACS	20,000
Pilgrim Ways	5,815
The Catholic Union	15,000
Catholic Unscripted	15,000
March for Life	10,000
Kingston Churches Action on Homelessness	20,000
Spitalfields Crypt Trust	20,000
Baptism Box	10,000
Friends of the Holy Land	12,800
Wintershall CIO	20,000
St John Bosco Children's Camp	20,000
	849,225

8 Governance costs

	Year to 31 December 2023 £	Period to 31 December 2022 £
Legal and professional fees	25,460	—
Audit and accountancy fees (note9)	69,630	—
	95,090	—

9 Net income for the year before investment gains

This is stated after charging:

	Year to 31 December 2023 £	Period to 31 December 2022 £
Staff costs (note 10)	238,560	—
Auditor's remuneration (including VAT)		
. Audit services – current year	27,300	—
. Audit services – prior period	4,300	—
. Other services – taxation	3,816	—
. Other services - non audit and advisory	34,214	—
Depreciation (note 13)	302,720	—

10 Staff costs and remuneration of key management personnel

	Year to 31 December 2023 £	Period to 31 December 2022 £
Staff costs during the period were as follows:		
Wages and salaries	214,457	—
Social security costs	14,352	—
Other pension costs	9,751	—
	238,560	—
Staff costs per function were as follows:		
Support of members of the Congregation and their ministry (note 6)	224,811	—
Grant administration	13,749	—
	238,560	—

The number of employees who earned £60,000 per annum or more (including taxable benefits but excluding employer pension contributions) during the period was Nil.

10 Staff costs and remuneration of key management personnel (continued)

The average number of employees during the period, calculated on average headcount basis and analysed by function, was as follows:

	Year to 31 December 2023	Period to 31 December 2022 £
Support of members of the Congregation and their ministry	13	—
Grant administration	1	—
	14	—

The Trustees consider that they comprise the key management of the charity in charge of directing, controlling, running and operating the charity on a day-to-day basis.

11 Trustees' expenses and remuneration and transactions with trustees

As members of the Congregation, the trustees' living expenses during the period were borne by the charity but they received no remuneration in connection with their duties as trustees during the year.

As members of the Congregation, none of the trustees have resources of their own as all earnings, pensions and other income have been donated to the charity under a Gift Aid compliant Deed of Covenant. During the year, the total amount donated by the Trustees to the charity was £111,311.

12 Taxation

The Sisters of the Holy Cross CIO 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.

13 Tangible fixed assets

	Land and buildings		Furniture and equipment	Motor vehicles	Total
	Specialised £	Non-specialised £	£	£	£
Cost or valuation					
Transfer from Sisters of the Holy Cross Charitable Trust on 1 January 2023	14,414,833	1,253,503	385,247	77,974	16,131,557
Additions	—	174,326	—	—	174,326
At 31 December 2023	<u>14,414,833</u>	<u>1,427,829</u>	<u>385,247</u>	<u>77,974</u>	<u>16,305,883</u>
At cost	11,664,833	1,187,829	385,247	77,974	13,315,883
At deemed cost based on 1993 valuation	<u>2,750,000</u>	<u>240,000</u>	<u>—</u>	<u>—</u>	<u>2,990,000</u>
	<u>14,414,833</u>	<u>1,427,829</u>	<u>385,247</u>	<u>77,974</u>	<u>16,305,883</u>
Depreciation					
Transfer from Sisters of the Holy Cross Charitable Trust on 1 January 2023	4,697,806	—	384,157	77,974	5,159,937
Charge for the period	<u>301,630</u>	<u>—</u>	<u>1,090</u>	<u>—</u>	<u>302,720</u>
At 31 December 2023	<u>4,999,436</u>	<u>—</u>	<u>385,247</u>	<u>77,974</u>	<u>5,462,657</u>
Net book values					
At 31 December 2023	<u>9,415,397</u>	<u>1,427,829</u>	<u>—</u>	<u>—</u>	<u>10,843,226</u>
At 31 December 2022	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

All specialised land and buildings are freehold. Non-specialised land and buildings are freehold with the exception of the property purchased in the year which is leasehold.

The book value of certain of the non-specialised land and buildings (i.e. the land and buildings owned by the CIO's predecessor charity at 31 August 1993) is stated at a trustees' valuation made in 1993 based on market value for existing use. The book value of certain of the specialised land and buildings (i.e. the land and buildings owned by the CIO's predecessor charity at 31 August 1993) is stated at a trustees' valuation made in 1993 based on replacement cost for existing use. Under the transitional arrangements set out in FRS 102 these values are deemed to be equal to cost. Subsequent additions are stated at cost. Other tangible fixed assets are stated at cost.

It is likely that the open market values of the charity's land and buildings is materially higher than their book values. These differences arise from the specialised nature of some properties and the effects of inflation. The amount of such differences cannot be ascertained without incurring significant costs, which, in the opinion of trustees, is not justified in terms of the benefit to the users of the accounts.

14 Investments

	Year to 31 December 2023 £	Period to 31 December 2022 £
Listed investments		
Transfer from Sisters of the Holy Cross Charitable Trust on 1 January 2023	37,286,796	—
Additions at cost	3,041,351	—
Disposals at book value (Proceeds: £2,870,156; realised loss: £62,118)	(2,932,274)	—
Net unrealised gains	1,767,789	—
Market value at 31 December 2023	39,163,662	—
Cash held by investment managers for re-investment	314,652	—
	39,478,314	—
Cost of listed investments	32,652,556	—

All listed investments were dealt in on a recognised stock exchange.

The following holdings represented material holdings when compared to the total portfolio valuation at 31 December 2023:

	Value of holding £	Percentage of the market value %
BlackRock Charity Growth and Income Fund	6,352,196	16.09
Sarasin Endowments Fund	16,533,889	41.67

15 Debtors

	Year to 31 December 2023 £	Year to December 2022 £
Investment income receivable	61,703	—
Prepayments	6,300	—
	68,003	—

16 Creditors: amounts falling due within one year

	Year to 31 December 2023 £	Year to December 2022 £
Expense creditors and accruals	91,286	—
Grants payable	256,450	—
Social security and other taxes	4,747	—
Due to Holy Cross Preparatory School Kingston	250,000	—
	602,483	—

17 Tangible fixed assets fund

	Year to 31 December 2023 £	Year to December 2022 £
Transfer from Sisters of the Holy Cross Charitable Trust on 1 January 2023	10,970,531	—
Movement in period	(127,305)	—
At 31 December 2023	10,843,226	—

The tangible fixed assets fund represented the net book value of the charity's tangible fixed assets. A decision was made to separate this fund from the general fund in recognition of the fact that the assets were used in the day to day work of the charity, and the fund value would not be realisable easily if needed to meet future contingencies.

18 Designated funds

The unrestricted funds of the charity included the following funds set aside for specific purposes.

	Transfer from Sisters of the Holy Cross Charitable Trust on 1 January 2023 £	New designations £	Utilised/ released £	Transfer between funds	At 31 December 2023 £
Retirement reserve	5,200,000	—	(700,000)	—	4,500,000
Grants fund	34,500,000	—	(1,300,000)	—	33,200,000
School Emergency fund	—	2,000,000	—	—	2,000,000
	39,700,000	2,000,000	(2,000,000)	—	39,700,000

♦ Retirement reserve

This fund consists of monies set aside by the trustees to provide for the future costs of providing nursing and care costs to elderly sisters and also to provide for sisters of retirement age who are still active and not in need of care. The value of the fund is based on actuarial calculations which show that it will need to be preserved in order to provide for the Congregation's 12 sisters.

♦ Grants fund

This fund comprises monies that have been invested with the intention of generating income that will be applied towards the provision of grants to support the Congregation's work overseas, to support other projects based overseas but overseen or administered by other Roman Catholic Congregations and to support UK charities and individuals for purposes consistent with the charitable objectives of the Sisters of the Holy Cross CIO.

18 Designated funds (continued)

♦ School Emergency fund

In accordance with the transfer deed with Holy Cross Preparatory School Kingston, the trustees have set aside £2million as a fund that the school can apply to access for emergency or other purposes.

19 Analysis of net assets between funds

		Unrestricted funds			
	Restricted funds	Tangible fixed assets fund	Designated funds	General funds	Total 2023
	£	£	£	£	£
Fund balances at 31 December 2023 are represented by:					
Tangible fixed assets	—	10,843,226	—	—	10,843,226
Investments	—	—	39,478,314	—	39,478,314
Net current assets	—	—	221,686	1,174,596	1,396,282
	—	10,843,226	39,700,000	1,174,596	51,717,822

20 Ultimate control

The charity, which is constituted as a CIO, was controlled throughout the period by the English Province of the Sisters of the Holy Cross by virtue of the fact that the Provincial Superior of the Congregation appoints all of the trustees.

21 Related party transactions

Sisters of the Holy Cross CIO is connected to Holy Cross Preparatory School Kingston (Charity Registration Number is 1200167) by virtue of the fact that Sister Ursula Eberhardt and Sister Margaret Donovan are also trustees of Holy Cross Preparatory School Kingston (Charity Registration Number is 1200167). During the year, donations totalling £510,000 were paid to Holy Cross Preparatory School Kingston, and £143,500 of rental income was received from Holy Cross Preparatory School Kingston.

There were no other related party transactions other than those disclosed in note 11.

22 Transfer of activities, assets and liabilities

The activities, assets and liabilities of the Sisters of the Holy Cross Charitable Trust, excluding those relating to Holy Cross Preparatory School, were transferred to the CIO by deed of transfer with effect from midnight on 31 December 2022. The net assets received by this CIO comprise:

	£
Tangible fixed assets	
. Cost	15,668,338
. Depreciation	(4,697,806)
	<u>10,970,532</u>
Investments	37,793,038
Cash at bank and in hand	2,731,299
Debtors	39,522
Creditors: amounts falling due within one year	(342,755)
	<u>51,191,636</u>