

REGISTRAR OF COMPANIES

The Congregation of the Daughters of the Cross of Liege

Annual Report and Financial Statements

31 March 2012

Company Registration Number 03492921

Charity Registration Number 1068661

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*Each of these sections include details of activities, strategies, objectives, achievements, performance, volunteers and future plans and events

1 Introduction

The trustees are pleased to present their report, together with the financial statements of The Congregation of the Daughters of the Cross of Liege, for the year ended 31 March 2012. The report has been prepared in accordance with Part 8 of the Charities Act 2011 and also constitutes a directors' report for the purposes of the Companies Act 2006.

The financial statements are presented in accordance with the accounting policies on pages 47 to 51 and comply with the charity's Memorandum and Articles of Association, applicable laws and the requirements of the Statement of Recommended Practice, "Accounting and Reporting by Charities" (SORP 2005).

2 Highlights of the year

The trustees are pleased that during the year the charity has continued to provide a broad range of excellent services (as well as improving them) notwithstanding the difficult economic environment. The charity is unusual in providing such a wide range of services and, despite the differences between them, the ethos and charism of the Sisters is the common feature and pervades all the work that is done. Many of the charity's services are very much needed in their locality and wider afield because Governmental, charitable and private organisations find such services difficult to provide.

As explained elsewhere, the total fees and charges are not always sufficient to meet the charitable expenditure and the charity has been very successful over the years in obtaining investment and fund-raising income to meet the shortfall.

As can be seen by the statistics below, beneficiary numbers are either consistent with last year or have increased slightly. However the numbers alone cannot give any indication of the way that beneficiaries are helped.

An elderly person having to leave their own home is met with love and care at St Wilfrid's Care Home to live out their final years with as much independence, dignity and quality of life as they want or are able to cope with. A child suffering from epilepsy is welcomed into the holistic campus of St Elizabeth's Centre and is educated and cared for in a way that he or she can deal with, which not only benefits the child but also reassures their parents and also relieves them from trying to cope with often very difficult behaviour at home. A patient requiring a complex operation and who may need high levels of post-operative intensive care is looked after at St Anthony's Hospital as an individual with as much emphasis on their emotional and spiritual needs as their medical ones. Someone reaching the end of their life is cared for free of charge at St Raphael's Hospice and provided with high quality medical and nursing skills, with support also being provided to their families. A patient coming to Holy Cross Hospital with severe disability or a long-term illness finds highly skilled staff who do everything possible to motivate, encourage and support him or her and his/her relatives in a safe and loving environment as similar as it can be to their own home.

And in addition to all of the above is the work of Sisters in Communities in England, Ireland and the USA who bring assistance, enthusiasm, support, compassion and a spiritual dimension if required to all those with whom they interact.

2 Highlights of the year (continued)

Our finances

	2012	2011
Total expenditure	63.7m	62.5m
Total income	66.5m	64.9m
Total staff costs	39.4m	38.8m

Our people

Employees	1,545	1,499
Volunteers	1,100	973
Sisters	70	73

Our beneficiaries

Adult residents	158	159
Hospice patients	961	925
Hospital in-patients	6,796	6,917
Out-patient visits	32,676	32,474
Pupils and students	3,270	3,219

Our achievements

- ◆ Completed the refurbishment of Sisters' accommodation
- ◆ Cared for and educated around the same number of beneficiaries as last year in a continuing poor economic environment
- ◆ Holy Cross Hospital achieved 99% occupancy for the second year running
- ◆ St Anthony's Hospital received an excellent report from the CQC after a surprise visit
- ◆ St Raphael's organised two successful, high-profile fund-raising events
- ◆ St Wilfrid's has made very successful, major changes to its induction programme
- ◆ Successfully registered the St Elizabeth's Health Agency with the CQC
- ◆ Over £61m spent on charitable activities
- ◆ Free reserves maintained at required level
- ◆ Increased the number of employees and volunteers over last year

3 Administrative details

3.1 Registration details

The Congregation of the Daughters of the Cross of Liege is a charitable company limited by guarantee and that is its registered name. Registration details are

- ◆ Charity Registration Number 1068661
- ◆ Company Registration Number 3492921
- ◆ Registered Office and Principal Office address 29 Tite St, London, SW3 4JX

The predecessor organisation was a charitable trust with the same name (a Registered Charity now merged with this one and removed from the Register) which was formed in 1910, although Sisters have been working in the UK since 1863

3.2 Trustees

Provincial Superior and Chairperson of Provincial Council
Sister Veronica Hagen (Chairperson)

Provincial Bursar
Sister Elena Pettenuzzo OBE

Members of the Provincial Council
Sister Patricia Ainsworth (appointed 30 May 2012)
Sister Annette Clemence
Sister Anne Kelly (appointed 30 May 2012)
Sister Shirley Lowe (aka Sister Mary Agnes)
Sister Mary McLaughlin (resigned 22 May 2012)
Sister Kathleen O'Reilly (resigned 20 May 2012)

No other person served as a trustee during the year

The Provincial Superior and Chairperson is also the Chief Executive Officer of the charity

3.3 Company Secretary

Peter Cousins

3 Administrative details (continued)

3.4 Operating locations – “The Works”

The charity operates at a number of locations under the following names

	Senior Officer	Website – www.
♦ Holy Cross Hospital, Haslemere, Surrey	Christopher Hinton	holycross org uk
♦ St Anthony's Hospital, Cheam, Surrey	Brian Clarke	stanthonys org uk
♦ St Elizabeth's Centre, Much Hadham, Hertfordshire	James Connolly	stelizabeths org uk
♦ St Raphael's Hospice, Cheam, Surrey	Brian Clarke	straphaels org uk
♦ St Wilfrid's Care Home, Chelsea, London	Pauline Dodd	stwilfridssw3 com

3.5 Principal advisers

Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Investment managers	BlackRock Investment Managers Limited 12 Throgmorton Avenue London EC2N 2DL Davy Stockbrokers 49 Dawson Street Dublin 2
Bankers	The Royal Bank of Scotland plc 127-128 High Holborn London WC1V 6PQ
Solicitors	Farrer & Co LLP 66 Lincoln's Inn Fields London WC2A 3LH

4 Objects and aims

4.1 Objects

Sisters have been working in the UK since 1863 when the English Province was established. In 1910 the Sisters' work was given a more formal framework under a trust deed and in 1998 the activities were transferred to a company limited by guarantee. When the trust became a company its objects were adapted from the original trust deed and covered what until 2006 were the four heads of charity. The charity is therefore established to

- ♦ advance religion, by establishing and maintaining residencies for the Sisters of the Congregation
- ♦ advance education, by establishing and maintaining educational institutions in accordance with Canon 803 of the Code of Canon Law
- ♦ relieve poverty and suffering, by establishing and maintaining hospitals, hospices, nursing homes and residential homes for the sick, elderly and needy
- ♦ advance religion, advance education and relieve poverty and suffering, by direct activity in the community and by all other charitable means, including giving alms to the needy

Whilst the charity and the Sisters are inextricably entwined, it is the activities, assets and finances which are enshrined in a legal entity, the life and work of the Sisters continues within the Congregation as it has since the beginning.

However for the Sisters, Religion is the commitment to love and serve God as expressed in their vows, and is and always has been the centre of their lives and everything they do, thus to them, Religion is not just about worship and prayer but encompasses teaching and caring for others. To quote from the Sisters' Religious Constitution "They will serve Christ in the works of general and special education, the care of the sick and the aged, abandoned children, the physically and mentally handicapped, the socially deprived, local pastoral work and the various needs of the Church". The Sisters do not see the objects as four activities but as all part of the one Religious life they have chosen and therefore the one over-riding purpose of the charity.

One other aspect of the charity, and indeed most Religious charities, which makes them very different to other charities is the involvement of the Sisters. There are six Sister trustees but all Sisters are donors and, as they are provided for by the charity, beneficiaries. More importantly, in the Works, they are working as part of the management teams and in other roles, in and around the beneficiaries the whole time. Where Sisters are not based at one of the Works, they are involved with their localities by working voluntarily in parishes, hospices and various organisations. With their work and by their constant prayers for the good of all people, they believe they have a positive impact on all the people with whom they interact.

4 Objects and aims (continued)

4.1 Objects (continued)

The Religious commitment of the Sisters permeates all of the charitable activity done in the name of the Province and the charity. Their costs (having taken a vow of poverty they have no financial resources of their own), relate to their care and welfare, their residences and direct costs like their travel expenses. However, it is not possible or desirable to separate those costs between for example Religion and Education or Education and Poverty and Suffering. These costs are therefore described as "Religion" throughout this report and the financial statements.

The other objects of the Advancement of Education, the Relief of Poverty and Suffering and Other Charitable Purposes have been, for this report and the financial statements, abridged to three activity headings of "Health and Welfare", "Health, Welfare and Education" and "Other". "Health, Welfare and Education" mainly encompasses the activities of St Elizabeth's Centre whose costs, because of the holistic nature of its work, are not segregated. Owing to the complexity of all the services offered by the charity, each section of this report has a part devoted to each Work, detailing its individual aims, key objectives, main achievements, etc.

4.2 Aims

The Objects section above explains the legal structure and the relationship between the English Province of Sisters and the legal entity.

The aim of the charity is, quite simply, to provide a legal framework in the UK for the Sisters to follow their calling and to meet the obligations as set out in their Constitution, which focuses primarily on the needs of the weak and the vulnerable.

5 Public benefit

All over the world, Sisters have lived and worked, generally in small communities, to help the public - not only to advance Religion but to bring relief and improvement through education, healthcare, and social work and in whatever other ways were open to them.

As required by the Charities Act 2006, the Charity Commission has been in the process of issuing guidance on the "public benefit requirement" and this process is continuing.

The trustees have considered all the guidance, draft and current, and are satisfied that the charitable objects or purposes of the charity and the way it operates meet the public benefit requirement.

The trustees consider that many aspects of the rest of this report demonstrates the public benefit which the charity provides.

6 The environment

The trustees are aware of the charity's corporate social responsibility to protect the environment. All Works have conservation and waste programmes in place to reduce the consumption of energy and water, to reduce waste so that as little as possible goes to landfill and to recycle metals, chemicals, etc wherever possible. Whenever significant work is carried out on any of the charity's properties, then opportunities are taken to improve insulation and reduce energy consumption. There are also one-off environmentally-beneficial projects like the Orchard Project at St Elizabeth's Centre which aims to restore an orchard of old-established and rare-variety apple trees in the grounds.

The work that has been done previously on, for example, utilising energy from solar and wind power and the programmes for the sensitive disposal of waste are incremental and improve year on year, giving continuing benefits to the environment. Added to these this year have been two major projects at St Anthony's Hospital, in replacing boilers the control systems and heating pumps have been improved and LED lighting has been installed throughout all main corridors. Both reduce CO₂ production as well as reducing energy usage and costs.

7 Related parties

7.1 The Sisters

The Sisters of the Congregation covenant their salary and pension income to the charity (see note 1 to the financial statements). They are also beneficiaries of the charity in that the costs of their welfare and activities are met by the charity. The trustees, including the Provincial Superior and the Provincial Bursar, are all Sisters and no trustee is remunerated for their services. No trustee had any beneficial interest in any contract with the charity.

7.2 Worldwide Congregation

The charity and the Sisters are part of the Worldwide Congregation of the Daughters of the Cross of Liege. Grants are made to other Provinces of the Congregation around the world so that the charitable objects can be fulfilled outside the UK. These grants, which are comparatively small, are made from income arising on the Worldwide Fund.

7.3 Generalate of the Congregation

The section on Legal Structure (8.1) explains that the Superior General and her Council form the Generalate of the worldwide Congregation. Since the formation of the Congregation in 1833 this has been located in Liege, Belgium but for various reasons the Generalate took a decision to move the Generalate to England and a new company limited by guarantee has been established. The "Congregation of the Daughters of the Cross International Generalate" is also a registered charity (Charity No 1142490).

7 Related parties (continued)

7.3 Generalate of the Congregation (continued)

The Cheam Sisters' former convent has been refurbished to provide community-living and office facilities for the Generalate and their Support Sisters, appropriate for the central administration of the worldwide Congregation. As the new charity's objects are closely related to those of this charity, the Generalate has been granted a lease (at a nominal rent) of the building. The Generalate started to move into the building in August 2012 once the Mother House in Belgium had been sold.

7.4 St Philomena's School, Carshalton and Holy Cross College, Bury

St Philomena's School, Carshalton, Surrey is a Voluntary Aided School funded by the Local Education Authority. It serves the Catholic girls of Sutton, Surrey and its environs and has facilities and resources for around 1,275 girls supported by a teaching staff of 80 and 60 support staff. It is an International Leadership Partner School.

Holy Cross College, Bury, Lancashire, is a Catholic Sixth Form College with a University Centre all funded by the Education Funding Agency (previously the Young People's Learning Agency). It welcomes students and staff of all faiths. The College has facilities and resources for around 1,920 students and caters for 700 adult students following higher education courses validated by various universities and colleges. It has a staff complement of 185, of whom 110 are teaching staff.

Both are exempt charities and therefore separate legal entities, and they are run independently of the charity under the control of their Governing Bodies, of which the Provincial Superior and other Sisters are members.

The charity does not exercise control over the activities nor the management of either organisation and derives no financial benefit from them. The income and expenditure, assets and liabilities are not therefore aggregated into these financial statements and the properties are included at nil value.

In the case of both St Philomena's School and Holy Cross College, the Provincial Superior appoints the Foundation Governors. Their Articles and Instruments provide that the number of Foundation Governors exceed that of the other Governors in order to preserve their Catholic ethos. Other Governors are also appointed in accordance with their governing documents by parents, by members of staff, by the Local Authority, etc.

As the School and College are both carrying on activities which further the education object of the charity, their properties are let to them at peppercorn or nominal rents and this arrangement will continue, subject only to major changes in funding, governance or educational needs.

7 Related parties (continued)

7.5 St Julia's Hospice

The charity established and ran St Julia's Hospice in Hayle, Cornwall and some years ago it was gifted to Cornwall Hospice Care so that it could continue to provide hospice care to the locality. To enable it to continue with lower costs, the charity provided a long lease at a peppercorn rent as the trustees considered, and still consider, that the work furthers the Health and Welfare object of the charity. Since it was transferred, an extension has been built to increase the number of beds by 50% and to create a dedicated and separate area for day patients. Three Sisters still live in the locality and carry out voluntary work at the hospice.

8 Structure and governance

8.1 Legal structure

The charity is a charitable company limited by guarantee and its governing documents are its Memorandum and Articles of Association which set out the objects of the charity, the powers of its trustees and details of its general administration and governance.

In terms of Canon Law (which is the law of the worldwide Roman Catholic Church) the Congregation of Sisters is governed at an international level by the Superior General and her General Council (the Generalate). They are elected every six years at a General Chapter, which is a meeting of elected representatives from around the world. A Chapter was held in Liege, Belgium (where the Congregation was founded) in May 2012. A new Superior General and three General Councillors were appointed for a six-year term. The new Superior General is Sister Kathleen O'Reilly and one of the Councillors is Sister Mary MacLaughlin, both of whom are Sisters of the English Province.

The English Province, which covers Communities in England, Ireland and the USA, is governed by the Provincial Superior and her Provincial Council who are also appointed at the General Chapter, after consultation processes with the Sisters of the English Province. Sister Veronica Hagen has been re-appointed for a three-year term, along with two Provincial Councillors and two new Provincial Councillors have been appointed – Sister Patricia Ainsworth and Sister Anne Kelly, who served as a trustee between 2000 and 2006. Sisters Kathleen O'Reilly and Mary MacLaughlin, who were Provincial Councillors and trustees until May 2012, are now serving within the Generalate, as explained above.

The Congregation has a constitution, approved in Rome, which governs how the Sisters should organise their affairs and live their lives. As well as the English Province, the Congregation has Provinces in Belgium, Germany, India and Pakistan and Communities in Rome, Cameroun and Brazil.

The Superior General of the Worldwide Congregation and the Provincial Superior of the English Province of the Congregation are the only two members of the company.

8 Structure and governance (continued)

8.2 Governance and trustees

The Articles of Association provide that there shall be between three and ten trustees. The number will always include Sisters who are trustees by reason of their respective offices within the English Province of the Congregation. The offices referred to are the Provincial Superior, the Provincial Bursar and the members of the Provincial Council. There are currently six such trustees.

The trustees at 31 March 2012 and the changes since that date are shown on page 3. The trustees are the directors for the purposes of company legislation but they are referred to throughout this report and financial statements as trustees.

Five of the present trustees reside in convents attached to one or other of the Works in England run by the charity. The sixth is Sister Superior of the Community in Stillorgan, Ireland, where some of the frail and elderly Sisters reside. All the trustees have lived and worked for many years within one or other of the charity's Works, so they all have personal experience of the services which the charity offers and has offered to the public.

The charity is unlike most charities in that the trustees devote, along with all Sisters, their whole lives to the service of the charity and the people it serves. In living on the same sites as the Works, by meeting regularly and by visiting the Works and the Communities, the trustees oversee the smooth running of the charity, encouraging and supporting the Sisters, the lay associates, the employees, the beneficiaries, the volunteers, and all those connected in any way with the charity.

The trustees have met regularly during the year ended 31 March 2012, and have met 6 times, as well as having held 4 Urgent Business Meetings. Trustees carry out Provider visits to the regulated activities to comply with legislation and, where it's more appropriate, trustees appoint others to carry out these visits. During the year trustees have attended various conferences and seminars, organised by outside bodies on financial, investment and governance issues. As is normal, appropriate induction procedures, reflecting their experience, will be devised for the two new trustees and this process has already started.

The Provincial Superior is the voting member of the Conference of Religious to which all Sisters belong, and the Provincial Bursar is a member of the Association of Provincial Bursars. These, and many other such memberships, help to keep the trustees up to date with changes within Religious Communities and with relevant changing legislation and regulation.

The trustees are aware that regardless of their experience in running the Works of the charity, the environment in which the charity operates continues to evolve and develop, and they do not necessarily possess the full range of business skills required to govern effectively a substantial modern and up to date charity. For this reason, professional advice is extensively sought and relied upon, particularly in the areas of law, finance and accounting, property and investment. The trustees also benefit from the advice of the Province Finance Advisory Committee.

8 Structure and governance (continued)

8.2 Governance and trustees (continued)

The charity has purchased insurance (premium £2,743, cover £2m) to protect it from any loss arising from the neglect or defaults of its trustees and employees and to indemnify the trustees and other officers against the consequences of any neglect or default on their part

8.3 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period, and under company law they must not approve the financial statements unless they are satisfied that they do so. 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 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 charity will continue in operation

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity 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 she is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- ◆ she has taken all the steps that she ought to have taken as a trustee in order to make herself aware of any relevant audit information and to establish that the charity's auditors are aware of that information

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

9 Management

9.1 The Provincial Superior

The activities of the charity are the day to day responsibility of the Provincial Superior. She speaks to and visits Sisters in their Communities regularly to assist with the many issues arising, e.g. the apostolic work, the Sisters' welfare, property issues and relations/negotiations with others in the local community. She is in contact with members of the management teams of the Works and attends meetings regularly, discussing current issues of the day and identifying those decisions which need trustee approval.

9.2 The Communities

There are ten Communities, each of which has a Sister Superior who is appointed by the Provincial Superior and to whom is delegated authority and responsibility for it. Each Sister is attached to a Community but for reasons of their ministry, three Sisters live separately and so the Sisters' activities emanate from the following residences:

- ◆ Blackley, Lancashire
- ◆ Chelsea, London
- ◆ Hayle, Cornwall
- ◆ Stillorgan, Ireland
- ◆ Tracy, California, USA
- ◆ Broadstairs, Kent
- ◆ Hammersmith, London
- ◆ Lindisfarne, Holy Island
- ◆ Stockton, California, USA
- ◆ Cheam, Surrey
- ◆ Haslemere, Surrey
- ◆ Much Hadham, Hertfordshire
- ◆ Tottington, Lancashire

9.3 The Works

The locations of the Communities are where there are, or have been, major Works run by the charity. The present Works are as follows:

	Name of Work	Description of Work
Cheam, Surrey	St Anthony's Hospital	Acute surgical hospital specialising in cardiac and orthopaedic surgery
	St Raphael's Hospice	Care of the dying and their families
Chelsea, London	St Wilfrid's Care Home	Care home for the elderly
Haslemere, Surrey	Holy Cross Hospital	Hospital for the treatment of neurological disability and other long-term conditions
Much Hadham, Hertfordshire	St Elizabeth's Centre	School, Home and College for those affected by epilepsy and associated disabilities, a Health Agency and a Domiciliary Care Agency which supports the College

9 Management (continued)

9.3 The Works (continued)

At each of the major Works, the Sister Superior appoints a management team, although the Provincial Superior or one of the trustees is involved in the appointment of key people. The Sister Superior is a member of the management team and she relays instructions from the trustees to the management team and reports back to the trustees.

Each Work is supported by an Advisory Committee whilst both St Elizabeth's School and St Elizabeth's College have a Governing Body. The members of the Advisory Committees and Foundation Governors are appointed by the Provincial Superior, in consultation with the relevant Sister Superior and the trustees, the Provincial Superior and the Sister Superior are ex-officio members. The membership therefore comprises trustees, Sisters, and lay people with an expertise in the work or with a relevant specialism. The Advisory Committees' purpose is to advise the Provincial Superior, the Sister Superior and the management team, whilst in the case of the Governing Bodies, they have additional responsibilities imposed by legislation and the School and College funding bodies.

The management structure described above allows the management teams to run each of the Works on a daily basis within the ethos, framework and strategy set by the trustees. It also allows important issues to be brought to the attention of trustees, enabling them to make the key decisions affecting strategy, policies, the facilities and services provided, and the service quality and delivery. This structure also enables the trustees to inform management of their current thinking and the reasoning for decisions.

9.4 Risk management

The charity works with vulnerable adults and children and carries out activities which are medically complex, therefore by its very nature this work involves inherent risk. Whilst actions can be taken to monitor, manage and mitigate risks, only a certain level of assurance can ever be obtained and the trustees accept that there are some which they cannot control and which cannot be mitigated. They are nevertheless committed to a risk management process across the charity.

The process by which they are managed is that at each Work and at the Centre, the management teams identify the major risks, and assess them for potential impact and the likelihood of occurrence. They review what steps are being taken to mitigate them and take additional actions as necessary to reduce the exposure to them. As far as possible each risk or area of risk is the responsibility of an individual or individuals and the mitigating actions are embedded into staff routines and responsibilities so that they become an integral part of their daily work. As there are Sisters at every Community and every Work, they are automatically aware of the risks being run and can therefore have an impact on how they are managed.

9 Management (continued)

9.4 Risk management (continued)

Each Work has a risk register, which takes a different form depending on the work itself, the management structure and the beneficiaries. This is regularly reviewed by each Advisory Committee, on which the Provincial Superior and at least one other trustee sits. From time to time and at least once a year, trustees consider the risk management processes around the charity as a whole and ensure that they are robust and appropriate.

The charity is exposed to the normal risks of prices for goods and services, credit risk and the recovery of debts, cash flow and liquidity risk, and the risks associated with the volatility of investments and investment income. The operation of a proper reserve policy alleviates the implications of some of these. Perhaps the most significant amongst the risks however, are that of

- Funding - meaning organisations (particularly public bodies) not meeting a proper level of fees and charges or deciding not to continue using the charity's services, and
- Reputation - where any particular problem could result in a significant loss of income, and
- Safeguarding beneficiaries - where an incident could result in regulatory difficulties or approvals being withdrawn, and
- Current economic climate - where the low rate of investment returns and the public sector uncertainty mean that major elements of income are not necessarily secure.

In all cases, the charity takes all the actions it possibly can to mitigate these risks.

9.5 Employees

The charity has always been and remains committed to opposing discrimination in its many forms. To further this commitment, the management teams throughout the charity ensure that recruitment and selection policies avoid direct or indirect discrimination and comply with all relevant legislation. The aim is to ensure that all employees are aware of and understand the charity's equal opportunities policies and are familiar with the legal framework.

Whenever an employee becomes disabled in any way, arrangements are made, wherever possible, to accommodate them by re-organising tasks, sharing roles and duties, and changing amenities. Their training, career development and potential promotion would be considered in the normal way within the non-discrimination policy.

The trustees, through the management teams, aim to keep employees informed and involved through staff briefing and training, regular meetings, newsletters, and, at St Elizabeth's, an intranet.

10 Religion

10.1 Activities

The way Sisters live their lives has been described in the "Objects" section which includes an extract from their Religious Constitution

The General Chapter held in May 2012 challenges Sisters worldwide to renew their commitment to work with others towards meeting the emerging and changing needs of society both in their own localities and more globally in their rapidly changing world. The Sisters are being encouraged to underpin their ministry by developing and sharing generously with others the "Mystical/Spiritual/Prophetical/Mission in action" aspects of their chosen lifestyle, which is the driving force of all they undertake in the name of the Congregation and is the inspiration of the charity's Memorandum and Articles of Association

Prayer is the fundamental source of the Sisters' energy which enables them to live out their lives in the service of others. Thus Communities are maintained so that they have the base and the ability to be actively involved in their localities as described below. Sisters are also actively involved in the management and running of the major Works run by the charity.

In financial terms, the major part of the charity is devoted to the relief of suffering (referred to as Health and Welfare) and a large part of the work of the Sisters is devoted to facilitating the Works. The Sisters' personal activities however, which are all voluntary, are many and varied and in a formal report such as this, only a flavour of those activities can be given. They encompass activities like

- ◆ Involvement at the charity's own Works - performing a role, being part of the management team, serving on Advisory Committees, making Provider visits on behalf of trustees. In response to staff requests at the Works, Sisters are regularly involved in induction programmes to introduce staff to the Charism, Ethos and Mission of the Congregation
- ◆ Involvement in other groups and organisations - Parish Pastoral Councils, Deanery Parish Councils, Forum of Faiths, Churches Together, medical ethics discussion groups, national vocational ministry
- ◆ Acting as Chaplains for prisons, hospices, hospitals and other groups
- ◆ Being part of other local Religious organisations taking Holy Communion to patients, being a Cathedral Sacristan, doing catechetical work, giving religious instruction to children and adults, giving spiritual advice as and when required, acting as Eucharistic Ministers
- ◆ Performing pastoral care - visiting the sick and their relatives, caring for the Congregation's own frail Sisters
- ◆ Assisting in hospital shops, at bereavement services, in hospices, for the National St Vincent de Paul Society, on helplines and in nursing and care homes

10 Religion (continued)

10.1 Activities (continued)

- ◆ Performing co-ordination roles – Justice and Peace efforts, Chaplaincy work, Social Care, Welcome to the Parish groups
- ◆ Performing other dedicated roles – reflexologists, counsellors, teachers, lecturers, publishing Christian and spiritual leaflets for those in hospitals and hospices and their families

The Sisters normally spend a few days on retreat each year in silent contemplation and prayer, their purpose being to deepen their own spiritual life and to reflect on and evaluate how they are fulfilling their commitment to helping those most in need

The Province's frail and elderly Sisters, who have devoted their lives to carrying out the charity's work, are cared for in appropriately adapted accommodation in Haslemere and Stillorgan within a Community setting and with the help of lay staff. The costs are significant but this strategy avoids the need for Sisters to go into the full-time and even more expensive care of others

Certain Communities also support adult groups who are known as Associates of the Daughters of the Cross. These are people who wish to embrace the Charism and Ethos of the Congregation and who in turn support the Congregation's ministries with their prayers. The English Province Sisters support Associates in Much Hadham and Cheam in England, Stillorgan in Ireland and Tracy and Stockton in the USA, although there are groups of Associates in many of the countries in which the Congregation works

10.2 Strategies

- ◆ Strengthen the ethos, vision and mission which underpins all services
- ◆ Ensure that on the sites of the major Works
 - ◇ the Sister Superior is fully supported by competent staff and advisors, and
 - ◇ the Sisters maintain an active, integrated presence
- ◆ Organise regular meetings within Communities and the Province to explore and address issues as they arise
- ◆ Organise or notify Sisters about relevant seminars and other means of deepening their own spiritual life and expertise
- ◆ Ensure that the charity's investments are invested ethically and, as far as possible, achieve the investment returns required
- ◆ Adapt and rationalise charity properties to match Sisters' needs so that, wherever possible, they can continue to live within a Community setting for as long as humanly possible
- ◆ Engage with management teams, Advisory Committees and Governing Bodies to ensure that the Work can continue when there are fewer Sisters who can be involved in their management

10 Religion (continued)

10.3 Achievements

As described above, the Sisters continue to fulfil the objects set out in both their Religious Constitutions and in the Charity's Memorandum and Articles of Association, despite the advancing age and frailty of some of them

Whilst accepting the comparatively small number of Sisters within the English Province of the Congregation, the trustees have allowed four Sisters to seek occasions to share information on the Sisters' Community way of life, and to accompanying and mentoring those who are considering commitment to life within a Religious Community

Objective 1 – Sisters' accommodation

To the organisation of appropriate accommodation for the frail and elderly Sisters in Stillorgan in Ireland and Haslemere in Surrey, has been added completion of the refurbishment of an ex-hospital building at Cheam, into which the Cheam Community Sisters moved in August 2011. All these facilities will enable Sisters to remain actively integrated in community for as long as possible, with their care being shared between the Sisters and lay staff

Objective 2 – Planning the future of the Works

The trustees are currently in negotiations to transfer the trusteeship of St Philomena's School, Carshalton to the Diocese of Southwark. This work started in mid-2009 and is proving to be a very time-consuming exercise. As explained in the sections on St Anthony's and St Raphael's, the trustees have announced their intention to find another organisation to take over the ownership and management of these two Works. Many other smaller steps are continually being taken to prepare for when other Works will need to become the responsibility of others

10.4 Volunteers

The Sisters are, as Apostolic Religious, volunteers and the whole of their lives is given voluntarily to helping all those in need. Their lives and work are explained elsewhere in this report

10.5 Future plans and events

The main event since the year-end has been the granting of a lease to the Generalate which is explained under Related Parties

As new trustees were appointed at the 2012 Chapter, the newly-formed board of trustees carried out a review of Sisters' roles and accommodation and as a result, a number of Sisters are planned to move from one Community to another, this in turn has meant that three Community houses will be closed during 2012/2013

The principal objective of the trustees continues to be planning the future of the Works. Progress during last year is explained under Achievements in Section 10.3

11 Health and Welfare - Holy Cross Hospital

11.1 Activities

Working in co-operation with the NHS, Holy Cross Hospital provides services for adults with severe and complex neurological disabilities that may arise from Acquired Brain Injury, Spinal Cord Injury or degenerative illness. Outpatient facilities are also available for adults requiring physiotherapy and hydrotherapy treatment. Some patients are also admitted for short term rehabilitation or respite care. Securing the best quality of life for all patients and their families continues to be the Hospital's goal, and so engaging the support and participation of family members is given high priority. As many patients are long-term, much effort is devoted to making the Hospital environment as "home-like" as possible. Donations and volunteers' work make a major contribution to this. The Hospital has 40 rooms, employs around 110 staff and is accredited by Investors in People. Comprehensive training services are developed for the Hospital's employees and these are made available as appropriate to other local care providers and agency staff.

The Physiotherapy Centre, which incorporates a hydrotherapy pool, enhances the treatment of inpatients and also provides excellent facilities for outpatient treatment, the Hospital aims to bring the benefits of hydrotherapy to as many local people as possible.

The Church attached to the convent is licensed for public worship and daily masses are held there.

Almost all of the patients are referred and funded by the NHS.

11.2 Strategies

- ◆ Continue to work closely in partnership with the NHS whilst maintaining the flexibility of an independent hospital which offers choice and individualised patient care and treatment.
- ◆ Develop further expertise and facilities in the treatment of severe and complex disability, and to secure recognition as a centre of excellence for this work.
- ◆ Develop rehabilitation services, using a multi-disciplinary approach.
- ◆ Develop the new hydrotherapy service for the benefit of inpatients and outpatients to ensure the fullest possible use of the hydrotherapy pool.
- ◆ Develop the Physiotherapy Centre as a service to local people offering high quality and accessible physiotherapy services.
- ◆ Secure the resources needed in terms of funding, staff, buildings and equipment to provide consistently high quality services, both efficiently and economically, to patients.

11 Health and Welfare - Holy Cross Hospital (continued)

11.3 Objectives, Achievements and Performance

Objectives for 2011 - 2012	Achievement
Maintain occupancy level at 97%	Achieved 99% for the second year running
Compete successfully for NHS business	Continued to receive high level of suitable referrals
Increase work/income of Physiotherapy Centre	Achieved expansion of range of hydrotherapy and physiotherapy group sessions
Meet Care Quality Commission requirements	Programme of audit for clinical and support services extended
Enhance visitors' experiences at the Hospital	Achieved improvements in outpatient booking system, implementation of a new Visitors' Policy with embedded safeguarding procedures, and a new volunteers' handbook
Ensure efficient use of all resources	Achieved reductions in paper usage and cleaning supplies and more efficient practices in the laundry
Meet specific Clinical Governance objectives - covering assessment of new referrals, clinical audits and staff nurse development into specialist skill areas	Achieved

There were six long-term admissions during the year, all of which were NHS-funded patients. All had complex needs requiring the full range of the Hospital's clinical services and in response to this demand, the Hospital increased the number of places that were available for patients requiring artificial ventilation from 5 to 6.

A small grant from Surrey County Council enabled the Hospital to arrange partnership working with other local charitable organisations for use of the Physiotherapy Centre. These arrangements increased its usage, particularly the hydrotherapy pool, with exercise classes for the elderly and use by people in a local home for those suffering from epilepsy.

11.4 Volunteers

Volunteers make a significant contribution to improve the quality of life of long-term patients, for which the Management Team are very grateful, and on average in 2011/2012 they worked for around 46 hours a week. They help provide a normal social environment for the patients, stimulating conversation between relatives and patients, and contributing greatly to the success of patient social outings and in-house activities. Fundraising is organised through the volunteers who work as part of the Friends of Holy Cross, a separate charity.

11 Health and Welfare - Holy Cross Hospital (continued)

11.5 Future plans and events

There have been no significant events since the year end, but the Hospital's objectives for 2012/2013 include

- ◆ Maintain Occupancy levels at a minimum of 97% securing sufficient fee income for each patient to cover all costs and maintain prudent reserves
- ◆ Review and improve the NHS purchasers' engagement pre admission, at admission and at transfer/discharge (in a year of great organisational change for the NHS)
- ◆ Plan and review the services provided from the Physiotherapy Centre to attract new business from the local community
- ◆ Establish a more efficient service for outpatients with health insurance
- ◆ Expand the collection of clinical audit evidence and linkage to outcomes for patients
- ◆ Establish in-house catering operations (previously contracted out)
- ◆ Complete the action points from the Information Management audit
- ◆ Seek out new ways to reduce costs without compromising quality

12 Health and Welfare - St Anthony's Hospital

12.1 Activities

St Anthony's Hospital provides high quality healthcare to its local community based on Christian values, skilled and dedicated staff and advanced technology. It serves patients requiring acute medical and surgical care and specialises in cardiology and orthopaedic surgery. With its special caring ethos, it aims to provide exceptional standards of diagnosis, treatment and nursing whilst maintaining its international reputation for clinical excellence. It also encourages amongst all its stakeholders an awareness of the changing nature of healthcare so that it can respond swiftly and imaginatively to new developments.

The Hospital is fully accredited by Investors in People, Clinical Pathology Accreditation (UK) (the pathology laboratory), and is registered with and inspected by the Care Quality Commission. It has ninety-one beds and employs over 500 staff.

The majority of patients are insured and those are, in the main, carrying health insurance as a benefit from their employer. Of the remainder, around 12% of patients are self-funding and 7% are funded by the NHS.

12 Health and Welfare - St Anthony's Hospital (continued)

12.1 Activities (continued)

St Anthony's Hospital also manages and runs St Bede's Conference Centre as a first class facility to support the work of the charity. The Centre is made available for use by the local Primary Care Trust and GPs in the community and public lectures, offered free of charge, are organised on a wide range of Healthcare topics. The Hospital regularly invites the participation of other hospitals, both NHS and private, at its training days. Hospice staff provide the St Raphael's Education Programme which promotes the Gold Standard Framework (best practice) in Palliative Care both within and beyond the Hospice. The Centre is also used by the Sisters and other groups from the locality. Regular events include the Tuesday Club (a social club for local Pensioners), Neighbourhood Watch, and the Local Residents' Committee.

St Anthony's Hospital's mission statement is fulfilled by offering admitting rights to Consultants who receive referrals of patients from GPs in the local community and further afield. The Consultants choose St Anthony's because of the high standards it offers in patient care, state-of-the-art technology and customer service. To achieve these high standards, the Management Team ensures that any agreed action arising from inspections by the Care Quality Commission and the Health And Safety Executive are promptly implemented, that patient satisfaction surveys are carried out on a continuing basis and reported upon to the Management Team every quarter, and that the Medical Advisory Committee, which meets monthly, is used to apprise the Management Team of any developments that the Consultant body believes may be beneficial to their practice and to the treatment of patients.

12.2 Strategies

- ◆ Keep pace with developments in medical science in order to be able to offer the most up to date treatment available in the specialisms of cardiac and orthopaedic surgery, as well as in other relevant areas
- ◆ Continue to provide an unrivalled standard of care for patients and service to consultants and general practitioners
- ◆ Ensure value for money for the services provided
- ◆ Maintain and develop a contented and well-motivated professional team, committed to providing a very high and effective standard of service
- ◆ Ensure that a healthy and safe environment is provided for patients, visitors, consultants and staff
- ◆ Systematically and continuingly review the structure, process and outcome of patient care
- ◆ Address and manage clinical risk
- ◆ Keep the hospital at the heart of the local community

12 Health and Welfare - St Anthony's Hospital (continued)

12.3 Objectives, Achievements and Performance

Objectives for 2011 – 2012	Achievement
♦ To improve Waste Management Systems so that recyclables are increased from one third to one half of all waste	Still in progress
♦ To effect the appointment and training of an internal member of staff to act as the authorised person for Medical Gases	Achieved
♦ To upgrade the Work Requester System	Achieved
♦ To replace the Hospital's Boilers	Achieved
♦ To replace the Niagra Instrument Washer/Disinfector	Achieved
♦ To change the existing lease arrangements for photocopiers	Still in progress
♦ To upgrade the Hospital's Operating Theatres	Still in progress
♦ To upgrade the Picture Archiving and Communications System	Achieved
♦ To consider the upgrade of the Pager System for Cardiac Arrest	Achieved
♦ To enhance the Clinical Expertise of Health Care Assistants by further training	Achieved
♦ To hold 4 public lectures on Health Matters	Achieved
♦ To renovate and upgrade the Hospital Mortuary	Achieved
♦ To expand the number of bank staff available for work in the Intensive Treatment Unit	Achieved
♦ To install new computer servers	Achieved
♦ To identify key commissioners as a result of the reforms in the NHS	Achieved

12 Health and Welfare - St Anthony's Hospital (continued)

12.3 Objectives, Achievements and Performance (continued)

During the year the Hospital's patient activity changed compared with the prior year as follows

	2012	2011
Total admissions	6,756	6,877
Total operations	6,727	6,804
Outpatient attendances	29,784	29,674
Average length of inpatient stay (AVLOIS)	4.11	4.03 days

There were small decreases in the number of admissions and operations (1.8% and 1.1% respectively) although the number of complex and major operations carried out rose by 6% from 2,298 last year to 2,614 this. The number of outpatient attendances remained consistent as did the proportion of day cases at 43%.

This activity produced net incoming resources of 6.6% of total incoming resources compared with 8.9% last year, which is below the 8% to 10% hospital management strive for. Its surpluses are available for reinvestment in people, buildings, equipment and systems, to ensure that the Hospital stays at the forefront of technological development and best practice, and has sufficient funds to support the Hospice.

The Hospital received an excellent report from the CQC as a result of their surprise visit on 8 September 2011.

12.4 Volunteers

Around 30 volunteers manage the patient liaison function, which consists of leading newly admitted patients to their rooms, advising them of all the facilities available within the Hospital, and dealing sympathetically and in a leisurely manner with any concerns they may have upon being admitted to Hospital. The Hospital also has a League of Friends run by volunteers who look after the Hospital shop.

12.5 Future plans and events

The Management Team, in discharging its responsibilities diligently and lawfully within the ethos of the Daughters of the Cross of Liege and running the Hospital within its set framework, continue to concentrate on keeping the Hospital viable. It continually strives to generate net incoming resources equal to some 8% to 10% of total incoming resources.

There have been no significant events since the year end, but the Hospital's plans for the forthcoming year include the following:

- ◆ To maintain or develop the following areas of business and activity
 - ◇ to tender for a large NHS Bariatric Contract
 - ◇ to renew the Densitometry contract with the local PCT

12 Health and Welfare - St Anthony's Hospital (continued)

12.5 Future plans and events (continued)

- ◆ To maintain or develop the following areas of business and activity (continued)
 - ◇ to investigate the possibility of opening a Satellite Consulting Suite at Raynes Park Health Centre
 - ◇ to renew the Clinical Pathology Accreditation for the Pathology Laboratory
 - ◇ to undertake a feasibility study on Electrophysiology
 - ◇ to undertake a feasibility study on Trans-catheter aortic valve implantation
 - ◇ to hold 4 public lectures on health matters
 - ◇ to exhibit at the 50 Plus Show at Olympia
- ◆ To replace/enhance facilities and various pieces of equipment
 - ◇ upgrade the Hospital's Operating Theatres
 - ◇ purchase 12 new Defibrillators
 - ◇ purchase two new servo-ventilators
 - ◇ replace the equipment in the Fluoroscopy unit
 - ◇ install three private soundproof cubicles in the Physiotherapy Department
 - ◇ replace the bariatric wheelchairs
 - ◇ overhaul the ventilation system in the Intensive Therapy Unit
 - ◇ establish a more robust temporary air conditioning system in Theatre 3
 - ◇ replace the air filtration system in the Theatres
 - ◇ improve access to the Restaurant Courtyard for wheelchair patients
 - ◇ renew the Heart Bypass Pump

On 1 February 2012 the trustees issued a statement announcing their intention to seek a new future for St Anthony's Hospital which will involve another organisation taking over the ownership and management. There is no set timetable for the project but the trustees are committed to finding the best possible future so that the Hospital can continue to provide much needed and valuable services to the community.

13 Health and Welfare - St Raphael's Hospice

13.1 Activities

In its local community the Hospice provides, free of charge, excellent patient-centred specialist in-house care for those patients requiring symptom control, respite and terminal care. It welcomes, respects, and supports patients, their families, and its staff, with no regard to ethnic or religious background and aims to give patients – the best quality of life to the very end. It aims to meet the physical, emotional, spiritual and social needs of patients, their families and friends during the final stages of terminal illness and, as it is a fundamental principle of the Hospice movement in general and St Raphael's in particular, it runs an Education programme to promote best practice in Palliative Care.

Inpatient care is provided for patients referred by their GPs, with a Day Centre running four days a week. The Hospice is also the base for the Community Palliative Care Team, which enables its members to provide the same standard of care for those patients who require similar services but who continue to be able to live at home. The Hospice has 14 inpatient beds and around 115 staff (including part-timers but excluding volunteers) and has a Social Work Team to assist the patient's family during the course of the terminal illness and thereafter. It also offers a Bereavement Support Service for those patients' families who require support at the time of their bereavement. St Raphael's is firmly embedded in the work of the South West London Cancer Network and in particular the Palliative Care Education Programme.

There are four pillars upon which the work of the Hospice is based: *Inpatient care* within the ward, *Home care in the Community* by Hospice specialist nurses and the Hospice at Home Team, *Daycare*, wherein patients receive medical, nursing and social work care as well as being entertained and stimulated for the day, while carers may have some time for themselves, and *Education*, which raises awareness of and trains people in best practice in palliative medicine in a large variety of organisations.

Of all the charity's Works, St Raphael's is the only one which is substantially funded by general public donations and it relies heavily on them. In 2012, only 25.3% of the total costs came from public funds.

13.2 Strategies

- ◆ Maintain the delivery of the highest possible standards of care to patients and their families
- ◆ Continue to promote training and education in palliative care, not just amongst Hospice staff but in the wider community and to other professionals involved in the delivery of palliative care
- ◆ Build on the existing high quality team of volunteers in order to maximise the benefit to patients and the satisfaction of volunteers
- ◆ Ensure a healthy and safe environment for patients, visitors, consultants and staff
- ◆ Systematically review the structure, process and outcome of patient care

13 Health and Welfare - St Raphael's Hospice (continued)

13.3 Objectives, Achievements and Performance

Objectives for 2011 - 2012	Achievement
To upgrade the mortuary	Achieved
To recruit a new Ward Manager and a Practice Development Facilitator	Achieved
To investigate a replacement for the Palcare computer system	Achieved
To establish another charity shop	Achieved. The new shop is in Epsom
To organise two high profile fund events for the public	Achieved. A show called "That'll be the day" in the Wimbledon Theatre in June 2011, and a concert featuring the Bee Gees tribute band in Nonsuch Park in July 2011.

The Hospice provided 3,487 (2011 - 3,238) days of inpatient care for patients requiring symptom control, respite care and terminal care. The total number of admissions was 327 (2011 - 284). The total number of day care attendances was 1,436 (2011 - 1,410). The Community Palliative Care Team made 2,357 visits (2011 - 2,801) to patients in their own homes and of these the total number of new referrals visited during the year was 558 (2011 - 528).

It is part of the mission of the Hospice to reach out into the Community to raise awareness of the nature and value of Palliative Care in all its aspects and the Education department continue to run courses for doctors and nurses working in palliative care, some of which are accredited by the Royal College of Nursing. The Hospice also provides training for a Palliative Care Specialist Registrar senior under the auspices of the Deanery and a Senior House Officer under the GP Vocational Training Scheme. The Hospice continues to take the lead locally in the implementation of the Government's End of Life Care project and continues to participate in the Government's Advanced Communications Skills project.

The refurbishment of 4 patient bedrooms was completed in July 2011, although the bulk of the work was in the prior year which caused a reduction in bed occupancy last year.

13.4 Volunteers

The Hospice's Management Team acknowledges and greatly appreciates the huge contribution which volunteers make to the Hospice with their enthusiasm and dedication. There were 628 volunteers active during the year and they contributed 72,681 hours of their time, (2011 - 409 and 65,998 hours). The hours have an estimated financial value of £586,000 (2011 - £575,000). As well as their time, they also bring the local community into the Hospice, so that St Raphael's is truly an integrated part of the society to which it belongs.

13 Health and Welfare - St Raphael's Hospice (continued)

13.4 Volunteers (continued)

Volunteers spend their time in a broad range of direct activities - care on the ward, pastoral care, in bereavement support, helping with art and music, acting as beauticians, hairdressers, manicurists, and complementary therapists - and in indirect activities - chauffeuring, on reception, gardening, flower arranging, in the library, administrating, helping with finance, serving on the Advisory Committee and working in the charity shops

13.5 Future plans and events

As well as continuing to run the Hospice within its set framework, the Management Team are also concentrating on keeping the Hospice viable under the four main pillars of its philosophy namely Inpatient care, Home care in the Community including the Hospice@Home Service, Daycare and Education. To fulfil this aim, the Hospice needs to raise over £2m net every year from voluntary donations, legacies and fund-raising activities

The Hospice also has these objectives for 2012-2013

- ◆ To secure future funding for the Hospice@Home Service at the expiry of the current three year funding guarantee on 31 March 2012
- ◆ To purchase a new mini-bus for patient transport
- ◆ To recruit
 - ◇ an additional Palliative Care Consultant to take care of patients in the Community, and
 - ◇ an additional Nurse Counsellor, and
 - ◇ an additional member for the Community Palliative Care Team
- ◆ To widen the range of services available for patients in the Day Centre

On 1 February 2012 the trustees issued a statement announcing their intention to seek a new future for St Raphael's Hospice which will involve another organisation taking over the ownership and management. There is no set timetable for the project but the trustees are committed to finding the best possible future so that the Hospice can continue to provide much needed and valuable services to the community

14 Health and Welfare – St Wilfrid's Care Home

14.1 Activities

St Wilfrid's Care Home provides a caring and quality environment for the elderly regardless of religious, cultural or ethnic backgrounds. It aims to provide a lifestyle which satisfies residents' social, cultural, religious and recreational needs and interests, assisting them to exercise choice and control over their lives and to retain their independence in every way possible. Rooted in Christian, gospel values, St Wilfrid's Care Home exists to offer to elderly people love, care, spiritual support and dignity in their later years. It works closely with the Local Authority and, where there is a need, provides respite care.

It has 44 beds and a staff complement of around 58. It implements a very active social programme and has good links with all manner of local organisations. The chapel within the home hosts daily Roman Catholic services for Sisters, residents, staff and people from the locality. An Anglican Communion service is also held twice a month and the chapel is open at all times for those who wish to make use of it.

St Wilfrid's large function room and garden lounge are used free of charge for meetings and away-days by various outside groups or agencies such as the Parkinson's Society, Cor Christi and the Christchurch Fellowship.

14.2 Strategies

- ◆ Ensure that as many of the 44 rooms as possible are occupied at all times
- ◆ Actively involve residents, their families and all supporting agencies, in the running of the Home
- ◆ Continually review systems and training programmes that develop staff, support and enhance residents' lifestyles and ensure regulatory compliance
- ◆ Hold regular care plan review meetings with residents and their families to ensure that plans fully reflect their needs and choices and meet statutory requirements
- ◆ Generate income that covers the total running costs of the Home and provides funds for development in facilities and services
- ◆ With hospice involvement, support residents and their families with robust End of Life plans enabling residents to end their life in the Home rather than enduring a transfer to hospital
- ◆ Continue to raise and enhance the Home's profile within the community and remain a centre of excellence

14 Health and Welfare – St Wilfrid's Care Home (continued)

14.3 Objectives, Achievements and Performance

Objectives for 2011 - 2012	Achievement
Offer a programme of Occupational Health to staff	Achieved
Monitor impact on the Home of the Government's Social Care Budget cuts	Achieved. Has become an on-going process
Relocate the Care Office to a more central location	Achieved
Fit wall-mounted digital televisions in residents' bedrooms	Achieved prior to the digital changeover
Create a staff learning zone with computer and internet access	Not necessary. Staff attended Government-funded courses instead
Re-design marketing brochures and the Home's web site	Achieved
Audit and review resident care policies and the various risk assessments	On-going. The policies and risk assessments are continually reviewed, and updated as necessary
Revamp staff induction training to follow the new Health & Social Care diploma syllabus and offer support to staff who wish to work towards the diploma	Achieved
Enhance personal and professional development of all staff carers	On-going All care staff have either achieved their NVQ's or are in the process of achieving them

Occupancy has remained stable with an average occupancy of 43 (2011 - 41) and during the year the Home has cared for 54 residents (2011 - 58). There were 14 residents admitted, compared with 19 last year, of whom 9 (2011 - 11) were long term residents. Seven (2011 - Eight) residents were discharged, and 6 (2011 - 6) of these were able to go back to their own home. Sadly 3 (2011 -11) residents, supported by family, friends, staff and the multi-disciplinary team from the community, died peacefully in the Home during the year.

14 Health and Welfare – St Wilfrid's Care Home (continued)

14.3 Objectives, Achievements and Performance (continued)

Induction and training programmes and recruiting appropriate skilled staff are essential to meet, to the highest level possible, residents' increasing dependency throughout their stay. The changes to the induction training have been particularly beneficial with the balance of practical/classroom work in the early stages shifting towards being more practical, this change is in line with the syllabus for the new Health & Social Care diploma. The changes negated the need for staff to produce duplicate work and also avoided the administration for and cost of establishing a staff learning zone.

14.4 Volunteers

Volunteers continue to make a significant contribution to the Home and its residents with a whole range of activities from acting as Bridge and Scrabble partners to helping with shopping trips or sitting reading to a resident. Volunteers bring not only their skills and enthusiasm to the work they do, but they also bring the local community into the Home, maintaining the Home as an integral part of the local community.

14.5 Future plans and events

There have been no significant events since the year end, but the Home's objectives for 2012-2013 include

- ◆ Major refurbishment of the kitchen and a lesser refurbishment of the conference room

The achievement of these refurbishments will depend on the impact of the cuts in the Local Authority's Social Care Budget on the Home.

- ◆ Increase the number of Senior Carers during the daytime from 2 to 3
- ◆ Encourage personal and professional development across all departments
- ◆ Share with residents, as far as possible, the Olympic and Paralympic events
- ◆ Replace the Home's washing machines and water tanks
- ◆ Upgrade one of the Home's two sets of lifts

15 Health, Welfare and Education – St Elizabeth's Centre

15.1 Activities

St Elizabeth's Centre provides education, care and medical support to people of all ages who have epilepsy and other associated complex requirements on the basis of need, regardless of religious, cultural or ethnic backgrounds. The Centre comprises

- ◆ a residential non-maintained special school ("the School") with facilities for 80 boarding and day pupils up to the age of 19

15 Health, Welfare and Education – St Elizabeth's Centre (continued)

15.1 Activities (continued)

- ♦ a college ("the College"), for those in the 18-25 age range who aspire to more independent lifestyles, the College has 26 on-site tenanted accommodation units and 11 tenanted accommodation units in Bishops Stortford, it is supported by its own Domiciliary Care Agency, which is regulated and monitored in its own right
- ♦ and a "village" of modern bungalows for over 100 adult residents, which constitutes St Elizabeth's residential care home ("the Home")

All the activities of the Centre are based around "living and learning" and have educational aspects as well as those that would be characterised as Health and Welfare. For example the Centre operates Social Enterprises offering learning and work experience to pupils, college learners and residents.

The Centre aims, within its field, to ensure a quality service which will develop and support more people, to enable and support a choice of lifestyle and pathways of opportunity, to remain a national centre of excellence and innovation, to establish new and enhance existing partnerships with families, statutory authorities and voluntary organisations, and to ensure that users of services are afforded opportunities to express their rights, make choices, take control of their own lives and enjoy social inclusion. The Centre also provides Respite and Day Services for those with an appropriate need.

15.2 Strategies

- ♦ The School - Achieve long term increases in the number of pupils, through the building of modern accommodation and classroom facilities and through the development of closer links with regional authorities
- ♦ The College - Develop the College programme to meet local learners' needs and improve College accommodation
- ♦ The Home - Continue to work with funders to ensure that funding matches costs and continuously improve the service to meet the needs of residents, improve living and learning opportunities for all residents through the Social Enterprises and day services
- ♦ Ensure the medical and therapy services meet the needs of pupils, learners, and residents and meet funders' expectations
- ♦ Carry out long term plans to improve and upgrade the facilities to meet the needs of pupils, learners and residents
- ♦ Exceed statutory expectations through inspection and other scrutiny and ensure that all services are self funding and value for money
- ♦ Maintain the ethos of the Centre and provide caring and support to all pupils, learners and residents living at the Centre and those moving into and from the Centre
- ♦ Support appropriately the families and carers of pupils, learners and residents

15 Health, Welfare and Education – St Elizabeth's Centre (continued)

15.3 Objectives, Achievements and Performance

Objectives for 2011 - 2012	Achievement
Progress the new ARC building	Achieved. New building commenced in October 2011 and is on schedule for completion in early 2013
Continue to work with funders to ensure that costing is transparent and the services represent good value for money	Achieved
Expand fundraising activities, particularly to add to the portfolio of charity shops	Partially achieved. Sufficient funds raised for majority of new building New shop to open soon after year end
Replace the Principals of both the College and School who both left the organisation at the end of term in July 2011	Partially achieved. New College Principal appointed in November 2011
Register the newly devised Health Agency with the Care Quality Commission	Achieved. Nursing and therapy services are now integrated across the Centre

As a result of the additional marketing pupil numbers in the School and residents in the Home were higher than budget but, as the effects of Government Budget cuts gradually make their impact, numbers are still well short of where they need to be for long-term stability

The new respite facility, Nichole House, was opened during the year and is well used

The quality of services remains high and the CQC Inspections of the Home and the Domiciliary Care Agency and the Ofsted inspection of School care were all outstanding

15.4 Volunteers

The number of volunteers increased, particularly Corporate volunteers, and over 700 hours a week were donated by volunteers drawn from across the world, with many living on site for between 3 and 9 months. The overseas volunteers include four Sisters from the Indian Provinces who arrive every summer, bringing a joyful and different expression of their pastoral and spiritual commitment to the work of the Centre. The five charity shops and other fund-raising activities are all supported by locally recruited volunteers

15 Health, Welfare and Education – St Elizabeth's Centre (continued)

15.5 Future plans and events

There have been no significant events since the year-end, but the Centre's objectives for 2012-2103 include

- ◆ Develop the services where need has been identified, explore the opportunities for school respite and assessment services, implement the new College day programme, and establish plans to expand the number of external clients on the College day programme for when the ARC building is completed
- ◆ Complete the ARC building on time and within budget
- ◆ Develop the new Health Agency, including raising its profile so that links with local partners are improved
- ◆ Meet fundraising target for ARC and broaden fundraising purposes to include smaller capital and non-capital projects
- ◆ Appoint a new Principal to the School

16 Other

The expenditure on other charitable activities this year amounted to £113,000 (2011 - £69,000) of which £101,000 (2011 - £50,000) was grants and donations

The charity is not grant-making but it does provide grants and donations where the trustees wish to support an activity which they believe to be worthwhile and which is in keeping with the Religious life of the Sisters and the ethos and heritage of the Congregation of the Daughters of the Cross. Hence grants are primarily provided to other Provinces within the worldwide Congregation. Of the total grants made during the year of £162,000 (2011 - £216,000), £139,000 (2011 - £160,000) was paid to the worldwide Congregation.

17 Financial Review

17.1 Results, showing operational deficit

An alternative summary of the financial activity from that shown on the Statement of Financial Activities is as follows

	2012 £'000	2011 £'000
Cost of providing services (Governance costs included as they are comparatively small)	(61,762)	(60,659)
Operational income – mainly from fees and charges	58,747	58,283
OPERATIONAL DEFICIT	(3,015)	(2,376)
OTHER INCOME obtained from fundraising and investments (net of fund-raising costs)	5,733	4,859
Giving an overall surplus on activities of	2,718	2,483
Unrealised investment (losses) gains	(623)	1,505
Actuarial (losses) gains on pension scheme	(827)	728
Giving a total net movement of funds of	1,268	4,716

17 Financial Review (continued)

17.2 Operational deficit

The trustees are pleased that overall the charity has been able to increase its funds but also disappointed that there is still an operational deficit, particularly as that deficit has increased over 2011. But with management's skills and the infrastructure that has been established over many years, the charity has once again been successful in obtaining investment and fund-raising income to cover the deficit. The capacity of the Works has not however changed over the year, and the financial picture explained last year has continued largely unchanged.

The charity's very specialised services at Holy Cross Hospital and St Elizabeth's Centre are very much needed, both in their locality and wider afield. They are services which Governmental, charitable and private organisations find very difficult to provide. Yet the pressure on them and St Wilfrid's Care Home to hold or reduce fees has continued in the wake of Government Budget cuts. This pressure hits these three Works particularly because they care for long-term beneficiaries and their needs, the standards required by funders and regulators, and the resultant costs all increase, but there is little if any additional income to meet those costs. This results in shortfalls having to be made up from other resources. The trustees' ideal is that, having established the facilities and infrastructure, operational costs would be met by operational income, so that any other income or surpluses can be used to develop those facilities and the services provided.

The situation is different with St Raphael's Hospice. Grants from public funds are only 25% of total income, and the remainder has to be made up by fund-raising, running charity shops and events, and obtaining legacies. And this year was a good year for legacies as they totalled 27% of the total income compared with 19% last year, but for obvious reasons legacies cannot always be relied upon to make-up the shortfall.

St Anthony's Hospital's results are different again, in that its income is a mix of fees from private individuals either personally or through their medical insurance cover. Overall activity is slightly down on 2011, but the number of complex and major operations carried out rose by 6% on last year. But despite this, its expenditure increased at a far greater rate than income, the result was its net incoming resources as a percentage of incoming resources dropping from 8.8% to 6.6%, which is well below the 8-10% hospital management strive for.

Net investment income, after deducting costs, is broadly the same as last year reflecting a slight recovery in the levels of income and a reduction in costs as a result of liquidating the portfolio held in Ireland which was done in the Spring of 2011.

Overall, total costs this year increased by 1.8% (2011 – 3.8%) whilst income increased by only 0.8% (2011 – 2.1%) so year on year there is an erosion of the ability to meet operational costs with operational income. As a result there is an operational deficit of £3.0m (2011 – deficit of £2.4m). Other income does show a significant increase, partly as a result of the extra legacies. From the state of the country's finances and the Government's expressed views, both trustees and Works' managements realise that this environment is set to continue for a few more years yet.

17 Financial Review (continued)

17.2 Operational deficit (continued)

The net result is an addition to funds of £2.7m (2011 – £2.5m) before the investment losses and actuarial losses on the pension scheme

However, despite the difficult financial backdrop, the management teams and staff at all the Works have done a magnificent job in continuing to provide excellent services to beneficiaries with generally good or outstanding results from all the various inspections and the other informal feedback

17.3 Unrealised investment losses

There is a comparatively small investment loss this year (£623,000, 2011 – gains of £1,505,000) meaning that there are still net accumulated investment losses since April 2008 – the year of the financial crisis. But the portfolio is invested for the long-term and the volatility is in line with the levels expected, given the chosen asset allocation, and is within acceptable ranges. The income returns are gradually recovering despite interest rates continuing at their all-time low levels

17.4 Actuarial gains on pension scheme

The defined benefit pension scheme at St Elizabeth's Centre has reverted to actuarial losses and this year they amount to £827,000 (2011 – gains of £728,000) giving a net pension liability of £2.5m (2011 – £1.8m)

17.5 Overall

Capital spending during the year amounted to just over £5m of which £2.3m was at the Works, including £1.4m on the new ARC building at St Elizabeth's Centre. The balance of £2.7m related to the refurbishment and extension of Sisters' accommodation

The overall position is of an increase in funds of £1.3m (2011 – £4.7m increase) and at 31 March 2012 the charity has total funds of £160.2m (2011 – £158.9m)

17.6 Reserves policy and funds

The trustees are conscious of the requirement to balance the needs of present and future beneficiaries. This means that they have to decide every year whether to increase the proportion of resources allocated to general and designated funds or whether to invest more in fixed assets, staffing, etc. to maintain, improve or develop services to beneficiaries

It is a characteristic of the Education, Health and Welfare sectors that medium term fixed costs, such as permanent staff salaries, constitute a large proportion of total costs, they have been stable at around 64% for the last two years. Reserves need to be held to meet these costs in the event of a downturn in occupancy or income or any other unforeseen eventuality, and to allow the charity to continue with the provision of services whilst specific action plans are developed and implemented. As such downturns could happen quickly, these free reserves are held in cash

17 Financial Review (continued)

17.6 Reserves policy and funds (continued)

The trustees consider that, given the level of annual expenditure of £63.7m and the nature of the income and risks of the charity's Works, the level of free reserves required should represent between 3 and 6 months' expenditure. These "free reserves", which are funds that are neither restricted nor designated for a defined purpose, are the General Fund which represents working capital. At 31 March 2012 the general fund, after reductions in designated funds, increased to £31m (2011 - £27m) which represents around 5.9 months (2011 - 5.3 months) of the annual expenditure, this is in line with the reserves policy.

Restricted funds

Restricted funds of the charity relate to the free reserves of St Raphael's Hospice, plus monies which have either been raised or given for, or their use restricted to, specific purposes or which comprise donations subject to donor imposed conditions (which would include being spent at a particular Work). At 31 March 2012 they amounted to £3.7m (2011 - £3.5m) of which £2.5m (2011 - £2.1m) is in respect of the hospice and £1m (2011 - £1m) is in respect of a legacy given for the benefit of Holy Cross Hospital. The legacy was partly used to build a Physiotherapy Centre, with the remainder (the restricted fund) being invested to help meet the running costs of the facility.

Designated Funds

Two-thirds of the total designated funds relate to the charity's unrestricted funds tied up in tangible fixed assets and which amounted to £83.2m (2011 - £84.9m).

Other designated funds are established out of general funds where there is a need to provide funding for a specific purpose. The funds include:

- ◆ Daughters of the Cross fund of £20.0m (2011 - £20.0m). This fund is established to ensure that the work of the Sisters is continued in the UK and around the world for as long as possible. The fund is invested for the long-term so that only the income is spent. For the time being, the income meets the shortfall of the UK Sisters' covenanted income over the costs of their welfare and apostolic activities and the costs of the care of the frail and elderly members. The amount of the fund is supported by calculations of the ideal fund value for the future. Its present value is less than the calculated level and the trustees are aware of this.
- ◆ Charitable Works development fund of £16.3m (2011 - £17.4m). This fund is invested to underpin the long-term financial needs of the Works. This need is connected with the long term aim of reviewing the financial and legal structure of the charity.
- ◆ Worldwide fund of £3.3m (2011 - £3.2m). This fund is invested to produce annual income to meet charitable needs across the Congregation worldwide, including in India, Pakistan, Africa and South America.

All the designated funds are represented by fixed assets, fixed asset investments or bank balances.

17 Financial Review (continued)

17.6 Reserves policy and funds (continued)

Pension reserve

The pension reserve relates to the defined benefit scheme at St Elizabeth's Centre which is fully explained in the notes to the financial statements. At 31 March 2012 there is a deficit of £2.5m (2011 - £1.8m). The current required level of contributions is met from the normal operating income of St Elizabeth's Centre.

18 Investments

18.1 Investment policy

The charity's listed investment objective is to preserve capital value in real terms and to achieve a growing level of income over time.

The trustees have had an ethical investment policy for many years as they believe that some investments are incompatible with the Sisters' spirituality and ethos and the charity's objects. They also believe that the overall return on the investments in any one year is not materially reduced by their ethical stance, although they recognise that in the longer-term there may be some negative effect. The policy is set with a view to investments being in line with the teachings of the Catholic Church.

Responsibility for the day to day management of the portfolio is delegated to the main investment managers, BlackRock, who operate within guidelines agreed with the trustees. There remains a handful of illiquid investments under the management of the Irish investment managers and, as circumstances permit, these funds will be repatriated, although this may take several years. The rest of the Irish portfolio has already been transferred to the UK. Withdrawals are made to contribute to the costs of Sisters' Communities.

The BlackRock portfolio comprises fixed interest stocks and listed UK and overseas equities, with an exposure to commercial property and defensive hedge fund of funds. The investments comprise segregated stocks and shares as well as pooled investments. The pooled investments are used where it is the preferred way of investing and managing risk, for example in investing overseas or in property.

Part of the BlackRock portfolio is an investment in Charifairth, which is a BlackRock-run ethical common investment fund investing in a way that complies with Catholic teaching. Some years ago, the trustees took a decision, to support the establishment of the fund, which aims to provide a secure, beneficial and ethical home for the investment funds of small to medium-sized charities and is part of the way in which the charity invests in a socially-responsible way. Although launched at a difficult time for investment, the fund has been a success and the fund value is now approaching £100m.

18 Investments (continued)

18.2 Investment review and performance

The investment manager's results are reviewed with them twice a year at Province Finance Advisory meetings, where up to date reports are reviewed, performance against the benchmarks is monitored, and any issues concerning ethical investment or corporate governance are discussed. This year that has included the continuing underperformance against the benchmark in what has been for some years, and continues to be, a very volatile investment market.

A composite benchmark is calculated reflecting the agreed asset class allocations and using appropriate indices for each asset class. The actual performance against the benchmark for the year ended 31 March 2012 was as follows:

	Benchmark %	Actual %
UK investments	3.14	1.07

The market value of investments at 31 March 2012 was £43.4m (2011- £47.5m), a decrease caused mainly by the repatriation of cash from the Irish portfolio explained elsewhere.

18.3 Ethically and socially responsible investment

The trustees have a policy of Socially Responsible Investment (which they take to include ethical issues and matters of corporate governance of the companies in which they are invested) and this policy, together with its effects and implications, are considered at every meeting with the investment managers. The charity's SRI policy applies to all direct investments which are monitored by an external agency providing services to the UK managers.

No charity funds are invested in companies which generate significant income from armaments, adult entertainment services, or companies which are involved in areas of activity contrary to the sanctity of life. In addition all BlackRock investments are screened to ensure that the companies comply with the International Labour Organisation standards and any invested funds relating to the hospitals and hospice are not invested in tobacco companies. For other sensitive areas of investment (for example the environment), the policy is to adopt an "engagement" approach, which means using the charity's position as a shareholder, through its investment managers, to encourage companies to adopt more ethical and socially responsible policies and procedures.

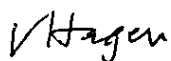
Trustees' report Year to 31 March 2012

Thanks

The trustees wish to record that none of the charity's work could be achieved without the dedicated loyalty of around 1,500 staff employed by the charity, the efforts of all the full-time and part-time volunteers (around 1,000), the commitment and effort of the Sisters (70 at 31 March 2012) or without the continuing generosity and input of their benefactors and advisors. The trustees are also extremely grateful to all members of the Advisory Committees and Governing Bodies who contribute to the charity's work by devoting their time and expertise.

To them all, they offer their thanks and their prayers.

Signed on behalf of the trustees



Sister Veronica Hagen
Trustee and Provincial Superior

Approved by the trustees on 20 November 2012

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

We have audited the financial statements of The Congregation of the Daughters of the Cross of Liege for the year ended 31 March 2012 which comprise the statement of financial activities, the balance sheet, the cash flow statement, the principal accounting policies and the related notes. 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).

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

The trustees are also the directors of the charitable company for the purposes of company law. As explained more fully in the statement of trustees' responsibilities set out in the trustees' report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the trustees' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material inconsistencies we consider the implications for our report.

Independent auditor's report 31 March 2012

Opinion on financial statements

In our opinion the financial statements

- ♦ give a true and fair view of the state of the charity's affairs as at 31 March 2012 and of its incoming resources and application of resources, including 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

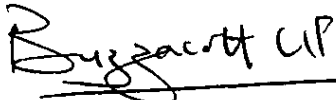
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

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



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

5 December 2012

Statement of financial activities Year to 31 March 2012
Including the statement of total recognised gains and losses

		Unrestricted funds			Total funds	Total funds
		General fund	Designated funds	Restricted funds	2012	2011
	Notes	£'000	£'000	£'000	£'000	£'000
Income and expenditure						
Incoming resources						
Incoming resources from generated funds						
Voluntary income		1,205	—	3,180	4,385	3,479
Activities for generating funds		547	—	1,239	1,786	1,564
Investment income		1,520	—	20	1,540	1,623
		<u>3,272</u>	<u>—</u>	<u>4,439</u>	<u>7,711</u>	<u>6,666</u>
Incoming resources from charitable activities						
Health and welfare		38,844	—	1,223	40,067	39,872
Health, welfare and education		18,539	—	141	18,680	18,411
		<u>57,383</u>	<u>—</u>	<u>1,364</u>	<u>58,747</u>	<u>58,283</u>
Total incoming resources	1	<u>60,655</u>	<u>—</u>	<u>5,803</u>	<u>66,458</u>	<u>64,949</u>
Resources expended						
Cost of generating funds						
Costs of generating voluntary income		152	—	696	848	739
Fundraising trading cost of running charity shops		325	—	690	1,015	820
Investment management costs		115	—	—	115	248
		<u>592</u>	<u>—</u>	<u>1,386</u>	<u>1,978</u>	<u>1,807</u>
Charitable activities						
Religion	2	2,629	—	—	2,629	2,377
Health and welfare		36,915	—	3,351	40,266	39,148
Health, welfare and education		18,158	—	139	18,297	18,677
Other		113	—	—	113	69
		<u>57,815</u>	<u>—</u>	<u>3,490</u>	<u>61,305</u>	<u>60,271</u>
Governance	3	436	—	21	457	388
Total resources expended		<u>58,843</u>	<u>—</u>	<u>4,897</u>	<u>63,740</u>	<u>62,466</u>
Net incoming resources before transfers		<u>1,812</u>	<u>—</u>	<u>906</u>	<u>2,718</u>	<u>2,483</u>
Transfers between funds						
Restricted to general	12	773	—	(773)	—	—
Designated to general	13	2,929	(2,929)	—	—	—
Net incoming (outgoing) resources for the year before other recognised gains (losses)		<u>5,514</u>	<u>(2,929)</u>	<u>133</u>	<u>2,718</u>	<u>2,483</u>

Statement of financial activities Year to 31 March 2012
Including the statement of total recognised gains and losses

		Unrestricted funds			Total	Total
		General fund	Designated funds	Restricted funds	funds	funds
	Notes	£'000	£'000	£'000	2012	2011
		£'000			£'000	£'000

Statement of total recognised gains and losses						
Net incoming (outgoing) resources for the year before other recognised gains (losses)						
		5,514	(2,929)	133	2,718	2,483
(Losses) gains on investments	7	(605)	—	(18)	(623)	1,505
Actuarial (losses) gains on pensions	17	(827)	—	—	(827)	728
Net movement in funds						
		4,082	(2,929)	115	1,268	4,716
Fund balances brought forward at 1 April 2011						
		27,381	127,994	3,541	158,916	154,200
Fund balances carried forward at 31 March 2012						
		31,463	125,065	3,656	160,184	158,916

	2012 £'000	2011 £'000
Historical cost net movement in funds		
Net movement in funds	1,268	4,716
Losses (gains) on fixed asset investments	623	(1,505)
Actuarial losses (gains) on pensions	827	(728)
Difference between historical cost depreciation charge and the actual depreciation charge calculated on the revalued amounts	63	161
Realised investment gains (losses) based on historic cost	6,916	(6,356)
Historical cost net movement in funds	9,697	(3,712)

Continuing operations

All of the charity's activities during the above two financial years represented continuing operations

Balance sheet 31 March 2012

	Notes	2012 £'000	2012 £'000	2011 £'000	2011 £'000
Fixed assets					
Tangible fixed assets	6		84,185		82,715
Investments	7		43,385		47,487
			<u>127,570</u>		<u>130,202</u>
Current assets					
Stocks		1,276		1,251	
Debtors	8	5,483		5,898	
Term deposits		11,091		8,093	
Cash at bank and on deposit		26,777		24,618	
		<u>44,627</u>		<u>39,860</u>	
Creditors amounts falling due within one year	9	(6,355)		(6,011)	
Net current assets			<u>38,272</u>		<u>33,849</u>
Total assets less current liabilities			<u>165,842</u>		<u>164,051</u>
Creditors amounts falling due after more than one year	10		(3,139)		(3,364)
Total net assets excluding pension liability			<u>162,703</u>		<u>160,687</u>
Net pension liability	17		(2,519)		(1,771)
Total net assets			<u>160,184</u>		<u>158,916</u>
Represented by					
Funds and reserves					
Restricted funds	12		3,656		3,541
Unrestricted funds					
Designated funds	13				
Fixed asset fund		83,199		84,851	
Other		41,866		43,143	
		<u>125,065</u>		<u>127,994</u>	
General fund excluding pension reserve		33,982		29,152	
Pension reserve	17	(2,519)		(1,771)	
General fund including pension reserve		<u>31,463</u>		<u>27,381</u>	
Total unrestricted funds			<u>156,528</u>		<u>155,375</u>
Total charity funds			<u>160,184</u>		<u>158,916</u>

Approved by the trustees of The Congregation of the Daughters of the Cross of Liege, Company Registration Number 03492921(England and Wales), and signed on their behalf by

V. Hagen
Sister Veronica Hagen
Trustee and Provincial Superior
Date of approval 20 November 2012

E. Pettenuzzo
Sister Elena Pettenuzzo OBE
Trustee and Provincial Bursar

Cash flow statement Year to 31 March 2012

	Notes	2012 £'000	2011 £'000
Cash inflow from operating activities	A	5,307	5,934
Return on investments and servicing of finance			
Investment income		1,540	1,623
Capital expenditure and financial investment	B D	(5,933) 914	1,700 9,257
Management of liquid resources	C	(2,998)	354
Financing	C		
Decrease in bank loans		(202)	(134)
(Decrease) increase in other long term liabilities		(34)	129
(Decrease) increase in cash		(2,320)	9,606

Notes to the cash flow statement for the year to 31 March 2012.

A Reconciliation of net incoming resources before transfers to net cash inflow from operating activities

	2012 £'000	2011 £'000
Net incoming resources before other recognised gains (losses)	2,718	2,483
Depreciation charge and provision for impairment	3,545	3,593
Net loss (gains) on disposal of investment property	(82)	(6)
Pension finance (income) cost	(2)	35
Pension cost less contributions payable	(77)	(77)
Investment income	(1,540)	(1,623)
Increase in stocks	(25)	(98)
Decrease in debtors	415	1,663
Increase (decrease) in creditors	355	(36)
Net cash inflow from operating activities	5,307	5,934

Cash flow statement Year to 31 March 2012

B Gross cash flows

	2012 £'000	2011 £'000
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	(5,015)	(3,203)
Net proceeds from sale of investment property	407	312
Payments to acquire investments	(9,021)	(12,882)
Proceeds from the sales of investments	7,475	17,361
Other movements	221	112
	(5,933)	1,700

C Analysis of changes in net funds

	At 1 April 2011 £'000	Cash flows £'000	At 31 March 2012 £'000
Available cash			
Cash at bank and in hand	24,618	2,159	26,777
Cash held by investment managers	5,521	(4,479)	1,042
	30,139	(2,320)	27,819
Management of liquid resources			
Net cash placed on term deposit	8,093	2,998	11,091
Bank loans			
Debt due within one year	(132)	11	(121)
Debt due after one year	(1,218)	191	(1,027)
	(1,350)	202	(1,148)
Other long term liabilities	(2,146)	34	(2,112)
Total	34,736	914	35,650

D Reconciliation of net cash flow to movement in net funds

	2012 £'000	2011 £'000
(Decrease) increase in cash in the year	(2,320)	9,606
Increase (decrease) in term deposits	2,998	(354)
Decrease in bank loans	202	134
Decrease (increase) in other long term liabilities	34	(129)
Increase in net funds	914	9,257

Principal accounting policies 31 March 2012

Scope

The financial statements disclose the financial position and results of the charitable company, which incorporate and aggregate the results of the Province with its Works which are

- ◆ St Anthony's Hospital, Cheam, Surrey
- ◆ Holy Cross Hospital, Haslemere, Surrey
- ◆ St Raphael's Hospice, Cheam, Surrey
- ◆ St Elizabeth's Centre, Much Hadham, Hertfordshire
- ◆ St Wilfrid's Care Home, Chelsea, London

The Sisters' residences are situated at the above locations and in Blackley, Manchester, Broadstairs, Kent, Bury, Lancashire, Hammersmith, London, Hayle, Cornwall, Lindisfarne, Holy Island, Stillorgan (Dublin), Ireland, Stockton and Tracy, California, USA

The financial statements do not include the results and net assets of St Philomena's School, Carshalton nor those of Holy Cross College, Bury (see basis of accounting below)

Basis of accounting

Accounting convention

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of freehold land and buildings and by the inclusion of investments at market value, and in accordance with the requirements of the Companies Act 2006 Applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2005), have been followed in the preparation of these financial statements

Non-aggregated activities – St Philomena's School, Carshalton and Holy Cross College, Bury
The charity owns the property at St Philomena's, Carshalton, which is a Voluntary Aided School funded by the Local Education Authority and the property at Holy Cross College, Bury, Lancashire, which is a Catholic Sixth Form College funded by the Education Funding Agency (previously the Young People's Learning Agency) The School and College are exempt charities and therefore separate legal entities The charity does not exercise control over their activities nor the management of either organisation and derives no financial benefit from them The income, expenditure, assets and liabilities are not therefore incorporated into these financial statements

Basis of accounting (continued)

Non-aggregated activities – St Philomena’s School, Carshalton and Holy Cross College, Bury (continued)

As the School and College are carrying out activities which further one of the objects of the charity, the properties are let to them at a peppercorn or nominal rent and this arrangement will, subject only to major changes in funding, governance or educational needs in those areas, continue indefinitely. The School and College land and buildings cannot be disposed of in the open market nor put to alternative use whilst such occupation continues. The freehold property is therefore considered to have no value for the purpose of these financial statements.

Incoming resources

Incoming resources are recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty.

Voluntary income

- ◆ Donations represent income given by individuals, corporations and trusts including recoverable taxation.
- ◆ Legacies are credited to the statement of financial activities once the charity has been advised by the personal representative of an estate that payment will be made or property transferred and the amount involved can be quantified.
- ◆ Covenanted income from the Sisters of the Congregation arises from the donation of their salaries and pensions.

Activities for generating funds

- ◆ Income from activities for generating funds comprises income from running charity shops and a lottery and from holding fundraising events.
- ◆ Charity shops’ income arises mainly from the sales of donated goods and is accounted for on receipt. Donated goods stock has no value for financial statement purposes.

Investment income

Investment income, representing dividends, interest, and income from property, includes any associated tax recoverable.

Income from charitable activities

- ◆ Fees and charges are derived from individuals, health insurance companies and Public Authorities and are stated exclusive of VAT.
- ◆ Other income represents the hire of consulting rooms, proceeds from the sale of food and sundry income generated by the Works.

Incoming resources (continued)

Grants receivable

Grants receivable are accounted for in the period in which they fall due. Grants from the Government and other agencies are included as income from charitable activities where they amount to a contract for services, and as donations where the money is given in response to a fundraising appeal or with greater freedom of use.

Resources expended

Expenditure is charged to the statement of financial activities when incurred and includes attributable irrecoverable VAT.

Cost of generating funds

This represents the costs of fundraising and of generating voluntary income. It includes the running costs of the charity shops, as well as the salaries of fundraising staff. It also includes the fees charged by investment managers for managing the charity's investments.

Charitable activities

The costs of the charitable activities are disclosed under the four objects for which the charity was formed. Religion reflects the costs of the Sisters' ministry in the UK, Ireland and the USA and includes the costs of their welfare. The Sisters of the Congregation are beneficiaries of the charity as well as donors to it. Health and welfare reflects the costs of running St Raphael's Hospice, St Anthony's Hospital, Holy Cross Hospital and St Wilfrid's Care Home. Health, welfare and education mainly reflects the costs of running St Elizabeth's Centre.

Governance

Governance costs are those which relate to the general running of the charity, including compliance with constitutional and statutory requirements and the overseeing of the Works. These costs are principally audit fees, the cost of legal and other professional advice to the trustees and staff costs. As the governance of the charity is mainly carried out by the trustees, there is very little extra cost over and above their ministry and welfare costs as Sisters of the Congregation and nothing is included for them.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, less accumulated depreciation and, where appropriate, impairment provisions. All assets costing £5,000 or more, and with an expected useful life exceeding one year, are capitalised.

The majority of freehold land and buildings under the total control of the trustees and in use within the charity were valued at 31 March 2009 on a depreciated replacement cost or an existing use basis. As required by SORP and FRS 15, these values will be updated on a regular basis.

Principal accounting policies 31 March 2012

Tangible fixed assets (continued)

Depreciation is calculated at the following annual rates in order to write down each asset to its estimated residual value over its estimated useful life

Freehold buildings	2 - 4% on cost or revalued amounts
Leasehold property	over the period of the lease
Medical, computer and office equipment	4 - 33% on cost
Motor vehicles	20 - 25% on cost

No depreciation is provided on freehold land or assets in the course of construction

Investments

Investments, including property, are included at their market value. Investment valuations are constantly updated so that all gains or losses are unrealised and when investments are sold there are no gains or losses arising. As a result the statement of financial activities includes only unrealised gains and losses.

Term deposits

Term deposits comprise monies held in short-term deposits with maturity periods of more than 24 hours.

Fund accounting

Restricted funds

The restricted funds are funds which have been raised for a specific purpose or which are subject to restrictions on their use, and include those funds which have to be spent at a particular Work. Restricted funds raised for capital expenditure are released to unrestricted funds once they have been spent. Any income, gains or losses arising from the assets underlying the restricted funds form part of restricted funds.

The restricted funds include all the general funds of the charity's hospice.

Designated funds

Designated funds are those funds earmarked by the trustees for a specific purpose. They are unrestricted, and the trustees may ultimately use such funds for other purposes. Any income, gains or losses on the assets underlying the designated funds form part of general unrestricted funds.

The funds represented by fixed assets are treated as designated funds.

General fund

The general fund represents unrestricted and undesignated monies used to fund working capital and which the trustees may use at their discretion in furtherance of the charity's objects.

Fund accounting (continued)

Pension reserve

The pension reserve represents the amount of the surplus or deficit relating to the charity's long term obligations under defined benefit pension schemes. It is equal to the amount recognised as a pension scheme asset or liability. Whilst the surplus or deficit is required to be recognised in the charity's financial statements by FRS17, it is an amount which will be addressed over the medium term, following actuarial recommendations.

Pension costs

Defined contribution schemes

Contributions in respect of defined contribution schemes are charged to the statement of financial activities in the year in which they are payable to the schemes.

Defined benefit schemes

The charity contributes to two defined benefit pension schemes (The Pensions Trust and the Teachers' Pension Scheme) providing benefits based on either final or career-average pensionable salary, depending on the scheme. The assets of the schemes are held and managed separately from those of the charity.

- ◆ Teachers' Pension Scheme (TPS) is a multi-employer defined benefit scheme. As it is not possible to identify the share of the underlying assets and liabilities belonging to individual participating employers, the contributions to the scheme are recognised in the statement of financial activities so as to spread the cost of pensions over employees' working lives.
- ◆ The Pensions Trust pension scheme assets are measured at fair value at each balance sheet date. Liabilities are measured on an actuarial basis using the projected unit method. The net of these two figures is recognised as an asset or liability on the balance sheet. Any change in the asset or liability between balance sheet dates is reflected in the statement of financial activities in recognised gains and losses for the period. Other movements are credited or charged to the statement of financial activities.

Notes to the financial statements 31 March 2012

1 Incoming resources

	Unrestricted funds £'000	Restricted funds £'000	Total funds 2012 £'000	Total funds 2011 £'000
Voluntary income				
Donations	75	1,796	1,871	1,498
Legacies	108	1,384	1,492	887
Covenanted income from Sisters of the Congregation – salaries and pensions	1,022	—	1,022	1,094
	1,205	3,180	4,385	3,479
Incoming resources from activities for generating funds				
Charity shops	481	992	1,473	1,271
Lottery and events	66	247	313	293
	547	1,239	1,786	1,564
Investment income				
UK investments	1,135	—	1,135	1,215
Overseas investments	38	—	38	53
Property	36	—	36	36
Interest receivable	311	20	331	319
	1,520	20	1,540	1,623
Incoming resources from charitable activities				
Health and welfare				
Fees and charges	37,941	—	37,941	37,270
Grants	—	1,204	1,204	1,702
Other	903	19	922	900
	38,844	1,223	40,067	39,872
Health, welfare and education				
Fees and charges	18,190	—	18,190	18,021
Grants	—	141	141	155
Other	349	—	349	235
	18,539	141	18,680	18,411
Total incoming resources	60,655	5,803	66,458	64,949
2011	59,506	5,443	64,949	

Included in the covenanted income from Sisters of the Congregation is £85,000 (2011 - £96,000) which was charged to the activities run by the charity (see note 4)

2 Charitable activities

	Staff costs £'000	Provision for impairment and depreciation £'000	Other direct costs £'000	Total 2012 £'000	Total 2011 £'000
Religion	814	654	1,161	2,629	2,377
Health and welfare	22,656	2,167	15,443	40,266	39,148
Health, welfare and education	14,900	715	2,682	18,297	18,677
Other	—	—	113	113	69
Total charitable expenditure	38,370	3,536	19,399	61,305	60,271
2011	37,867	3,589	18,815	60,271	

Included within direct charitable expenditure are the following

	2012 £'000	2011 £'000
Interest payable	68	68
Pension finance (income) cost	(2)	35
Operating lease rentals		
land and buildings	215	180
other	208	136
Total grants and donations (including Worldwide fund grants)	162	216

3 Governance costs

	2012 £'000	2011 £'000
Staff costs	165	159
Professional fees	269	202
Other costs	23	27
	457	388

Professional fees include payments to the auditors for audit fees of £113,000 (2011 - £111,000) Fees paid to the charity's auditor for other services, some of which relate to and have been included under charitable activities, amounted to £73,000 (2011 - £65,000) which all relates to financial and general advice

The basis of disclosure of all the auditor's fees have been reviewed and only the pure audit costs of auditing these financial statements have now been included as audit fees All other fees paid to the auditor, including those for providing information and for assurance to trustees regarding the Works which have previously been included in audit fees, are now disclosed as fees for other services The comparative figures have been changed

The trustees are Sisters of the Congregation and are not remunerated for their work as trustees They are, as are all Sisters, beneficiaries of the charity and the charity meets the costs of their ministry, welfare and well-being

Notes to the financial statements 31 March 2012

4 Staff costs and trustees' remuneration

	2012 £'000	2011 £'000
Wages and salaries	32,808	31,600
Social security costs	2,953	2,829
Other pension costs	989	998
	36,750	35,427
Payments for agency staff	1,558	2,363
Other staff related costs	1,137	1,052
	39,445	38,842

Staff costs have been charged as follows

	2012 £'000	2011 £'000
Cost of generating funds	910	816
Charitable activities	38,370	37,867
Governance costs	165	159
	39,445	38,842

Other staff related costs include the costs of training courses, medical insurance and recruitment costs

Included in wages and salaries is £85,000 (2011 - £96,000) which was earned by Sisters from working in the activities run by the charity and which is donated and included in Covenanted income in note 1

The average monthly number of employees, analysed by function was

	2012		2011	
	F T E *	Actual People	F T E *	Actual People
* Full-time equivalents				
Charitable activity				
Religion	22	34	23	35
Health and welfare	598	765	582	747
Health, welfare and education	567	688	579	667
Fundraising	50	58	38	50
	1,237	1,545	1,222	1,499
Volunteers		1,100		973
		2,645		2,472

In addition, the number of agency staff, on a full-time equivalent basis, was 62 (2011 - 95)

4 Staff costs and trustees' remuneration (continued)

The governance of the charity is dealt with by the Sisters themselves acting, where appropriate, after considering the advice of their professional advisors and with the assistance of the Company Secretary and various members of the Works' Senior Management Teams. The full time equivalent number of people involved in Governance is 2 (2011- 2) and these individuals are included in the summary above within their main work activity.

The number of employees who earned £60,000 per annum or more (including benefits but excluding pension contributions) during the year was as follows

	2012	2011
£60,001 - £70,000	6	8
£70,001 - £80,000	3	—
£80,001 - £90,000	2	2
£90,001 - £100,000	1	2
£100,001 - £110,000	1	1
£110,001 - £120,000	1	1
£140,001 - £150,000	—	1
£150,001 - £160,000	2	1
£170,001 - £180,000	—	1
£180,001 - £190,000	1	—
	17	17

Details of the pension contributions for those earning £60,000 per annum or more are shown below

	2012 Number	2012 £'000	2011 Number	2011 £'000
Those in defined benefit schemes	6	71	7	80
Those in defined contribution schemes	4	18	4	17
Those for whom other contributions have been made	3	46	3	45
Those for whom no contributions were made	4	—	3	—
Total	17	135	17	142

5 Taxation

The charity is not liable to corporation tax on income or gains derived from its charitable activities, as they fall within the various exemptions available to charities.

It does, however, suffer VAT which is included with the expenditure to which it relates. Irrecoverable VAT suffered on expenditure, including VAT on capital projects, during the year amounted to approximately £2.1m (2011 - £1.8m).

6 Tangible fixed assets

	Freehold land and buildings £'000	Medical, computer and office equipment £'000	Motor vehicles £'000	Total £'000
Cost or valuation				
At 1 April 2011	82,524	22,236	761	105,521
Additions	4,312	682	21	5,015
Disposals	—	(72)	(19)	(91)
At 31 March 2012	86,836	22,846	763	110,445
At cost	10,994	22,846	763	34,603
At valuation - 2009	75,842	—	—	75,842
	86,836	22,846	763	110,445
Depreciation				
At 1 April 2011	4,252	17,977	577	22,806
Charge for year	2,086	1,051	90	3,227
Provision for impairment	318	—	—	318
Disposals	—	(72)	(19)	(91)
At 31 March 2012	6,656	18,956	648	26,260
Net book value				
At 31 March 2012	80,180	3,890	115	84,185
At 31 March 2011	78,272	4,259	184	82,715
				2012 £'000
Depreciation and the provision for impairment is allocated as follows				
Charitable activities				3,536
Governance				9
				3,545

Included in freehold land and buildings are amounts for land at cost and valuation of £21 3m (2011 - £21 3m) which has not been depreciated

The Hydrotherapy building project at Holy Cross Hospital was completed in 2010 but the final cost has yet to be agreed and therefore a further payment may be due once the negotiations are complete. Any amount that may be payable cannot be accurately quantified at this time but it will not be significant in relation to the total assets or liabilities and no amount has been provided.

6 Tangible fixed assets (continued)

The majority of the charity's freehold land and buildings were valued as at 31 March 2009 principally by an external valuer, Nigel Grugeon FRICS of Stanley Hicks, Chartered Surveyors. Valuations were in accordance with the requirements of the RICS Valuation Standards and Financial Reporting Standard 15 - Tangible Fixed Assets (FRS 15). With the exception of one property which has been subject to an impairment review, the trustees are not aware of any material changes to the valuations and no values have been updated.

The bases of valuation in all cases was

- ♦ depreciated replacement cost for specialist buildings, and
- ♦ existing use value for non-specialist buildings which are occupied by the Province, or
- ♦ market value for those properties which are either surplus to requirements or are held as investments

The depreciated replacement cost approach was adopted to assess the market value of those properties where the specialised nature of the asset meant that there were no market transactions of this type of asset, except as part of the business or entity.

7 Fixed asset investments

Gains (losses) on investments recognised in the statement of financial activities are made up as follows

	2012 £'000	2011 £'000
Net unrealised investment (losses) gains	(944)	1,393
Unrealised gain on investment property	100	—
Realised gain on disposal of investment property	82	—
Other movements	139	112
(Losses) gains on investments	(623)	1,505

The realised gain relating to disposals based upon historic cost was £6.9m (2011 – loss of £6.4m)

Notes to the financial statements 31 March 2012

7 Fixed asset investments (continued)

	2012 £'000	2012 £'000	2011 £'000	2011 £'000
Investments (note a)		41,888		41,286
Cash (note a)		1,042		5,521
		42,930		46,807
Investment properties (note b)		455		680
Total fixed asset investments		43,385		47,487

(a) Investments

Market value of investments at 1 April 2011		41,286		44,372
Additions at cost		9,021		12,882
Sale proceeds		(7,475)		(17,361)
Net unrealised investment (losses) gains		(944)		1,393
Market value of investments at 31 March 2012		41,888		41,286

Historical cost of investments as at 31 March 2012	39,940	32,610
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Investment cash

Cash held for re-investment by investment managers

In the UK	1,042	2,295
Overseas	—	3,226
Investment cash	1,042	5,521
Total investments at 31 March 2012	42,930	46,807

	UK 2012 £'000	Overseas 2012 £'000	Total 2012 £'000	Total 2011 £'000
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Analysis of investments at market value at 31 March 2012.

Pooled funds	25,881	—	25,881	25,651
Shares listed on stock exchanges	14,823	150	14,973	14,414
Unlisted shares	—	1,034	1,034	1,221
	40,704	1,184	41,888	41,286
2011	40,345	941	41,286	

The total value of shares or investment schemes (including unit trusts) relating to companies listed on a UK stock exchange or incorporated in the UK are treated as investments in the UK. All other investments are treated as being overseas.

Notes to the financial statements 31 March 2012

7 Fixed asset investments (continued)

(a) Investments (continued)

Whilst there are significant investments in common investment funds and other collective investments, there are no individual investments in entities which the trustees would regard as material

(b) Investment properties

	Freehold land and buildings £'000
At 1 April 2011	680
Net unrealised gain	100
Disposal in year	(325)
At 31 March 2012	455

8 Debtors

	2012 £'000	2011 £'000
Amounts recoverable within one year		
Operational debtors	3,939	5,011
Other debtors (including legacies receivable)	653	217
Prepayments	891	670
	5,483	5,898

9 Creditors: amounts falling due within one year

	2012 £'000	2011 £'000
Operational creditors	1,509	1,239
Social security and other taxes	795	813
Sisters' funds	266	292
Contribution to compensation scheme	1,083	1,143
Fixed asset creditors	849	522
Income received in advance	408	605
Accruals	810	742
Other creditors	514	523
	6,234	5,879
Bank and other loans (note 11)	121	132
	6,355	6,011

10 Creditors: amounts falling due after more than one year

	2012 £'000	2011 £'000
Amount due to the worldwide Congregation	2,112	2,146
Bank and other loans (note 11)	1,027	1,218
	3,139	3,364

11 Bank and other loans

	2012 £'000	2011 £'000
Loans repayable		
Between one and two years	122	266
Between two and five years	376	377
After more than five years	529	575
	1,027	1,218
Within one year	121	132
	1,148	1,350
	2012 £'000	2011 £'000
Bank loan	1,148	1,268
Other loan	—	82
	1,148	1,350

These two unsecured loans were provided to St Elizabeth's Centre and contributed to the cost of the new school building and setting up the Social Enterprises. The Social Enterprises loan was repaid in full in November 2011. The remaining bank loan will be fully repaid by 2020. It bears an interest rate of 0.85% above base rate and the rate is capped at 6.85%.

12 Restricted funds

The funds of the charity include restricted funds comprising the following balances held on trust to be applied for specific purposes:

	At 1 April 2011 £'000	Net incoming resources £'000	Transfers £'000	Other movements £'000	At 31 March 2012 £'000
Hospice funds	2,109	284	151	—	2,544
Holy Cross Hospital	1,023	—	(26)	(18)	979
Sundry funds	409	622	(898)	—	133
	3,541	906	(773)	(18)	3,656

12 Restricted funds (continued)

♦ Hospice funds

The general funds of St Raphael's Hospice can only be applied for the benefit of the hospice and have, therefore, been treated as restricted

♦ Holy Cross Hospital

In 2006 the charity received a legacy which had to be used at Holy Cross Hospital and is therefore restricted. The funds were partly used to build a hydrotherapy facility and these were released to unrestricted funds. The remainder (being the restricted fund) was invested to generate an income to help meet the running costs of the facility

♦ Sundry funds

These funds relate to many small funds across the Works of the Congregation

13 Designated funds

	At 1 April 2011 £'000	Transfer from (to) general funds £'000	At 31 March 2012 £'000
Fixed asset fund	84,851	(1,652)	83,199
Other funds			
Daughters of the Cross fund	20,000	—	20,000
Charitable works development fund	17,413	(1,068)	16,345
Worldwide fund	3,237	28	3,265
Sundry funds	2,493	(237)	2,256
	43,143	(1,277)	41,866
	127,994	(2,929)	125,065

The designated funds have been set aside for specific purposes by the trustees out of unrestricted funds, although they may ultimately use such funds for other purposes. It is a policy that income and expenditure either relates to Restricted or Unrestricted General funds, thus there is no income or expenditure on Designated funds. Designated funds are determined by trustees at the end of the year.

♦ Fixed asset fund

The tangible fixed assets, of which property forms the major part, are of fundamental importance to the charity and without them the charity would be unable to fulfil any of its charitable objectives. The value of the assets is therefore not readily realisable and to reflect that their net book value (excluding amounts due to contractors and bank loans) has been established as a designated fund.

The fund also represents amounts committed as authorised fixed asset expenditure for projects planned and agreed at 31 March 2012 and which will be met out of funds already generated.

13 Designated funds (continued)

◆ **Daughters of the Cross fund**

All Sisters are part of the worldwide Congregation of the Daughters of the Cross of Liege and this fund is established to ensure that the work of the Sisters is continued in the UK and around the world for as long as possible. The fund is invested for the long-term so that only the income is spent. For the time being, the income meets the shortfall of the UK Sisters' covenanted income over the costs of their welfare and apostolic activities and the costs of the care of the frail and elderly members. In due course, as the number of UK Sisters declines, the trustees will use more of the income to support the work and welfare of Sisters in the other Provinces around the world. The fund has previously been referred to simply as the Sisters' Fund and although its name has been changed, the purposes for which it was set up remain the same.

◆ **Charitable works development fund**

The Charitable works development fund was established to help secure the future financial needs of the Works of the Congregation and is represented by investments.

◆ **Worldwide fund**

This is to provide small grants, to enhance or develop the Works of the Worldwide Congregation, as requested by the Generalate.

◆ **Sundry funds**

These relate to other designated funds established by each of the Works' management teams and approved by the trustees. The major part relates to Works' maintenance funds.

14 Analysis of total net assets between funds

	General fund £'000	Tangible fixed asset fund £'000	Other designated funds £'000	Restricted funds £'000	Total funds £'000
Fund balances at 31 March 2012 are represented by					
Tangible fixed assets	—	84,185	—	—	84,185
Fixed asset investments	2,796	—	39,610	979	43,385
Net current assets	33,298	41	2,256	2,677	38,272
Other liabilities	(4,631)	(1,027)	—	—	(5,658)
Total net assets	31,463	83,199	41,866	3,656	160,184
Unrealised gains (losses) included above				2012 £'000	2011 £'000
On tangible fixed assets				35,024	36,848
On investment assets				1,948	8,676
On pension scheme				(2,519)	(1,577)
Total unrealised gains at 31 March 2012				34,453	43,947

The revaluation reserve, as required by the Companies Act, is equivalent to the total unrealised gains, shown above

15 Capital commitments

	2012 £'000	2011 £'000
The capital commitments at 31 March 2012 were		
Contracted but not provided for in the financial statements		
Community properties	342	3,009
Hydrotherapy project at Holy Cross Hospital	—	13
Building development at St Elizabeth's Centre	425	485
	767	3,507
Authorised but not contracted for and not provided in the financial statements		
Catheter laboratory at St Anthony's Hospital	—	750
Total commitments	767	4,257

16 Related party disclosures

Sisters

The Sisters of the Congregation are beneficiaries of the charity, in that the costs of their ministry and welfare are met by the charity. The trustees, including the Provincial Superior and the Provincial Bursar, are all Sisters and they are not remunerated for their services. No trustee had any beneficial interest in any contract with the charity.

Worldwide Congregation

The charity is a member of the worldwide Congregation of the Daughters of the Cross of Liege and has objects which are not restricted to the UK. Total grants of £139,000 (2011 - £160,000) were made during the year to the worldwide Congregation or for Sisters within it.

17 Pension commitments

Two of the Works operate pension schemes, providing pensions under both defined benefit and defined contribution arrangements.

The assets of the funded schemes are held independently of the charity's finances.

Details of the contributions are as follows:

Name	Type of Scheme	Administrator	Contributions in year	
			2012 £'000	2011 £'000
St Elizabeth's Centre	Defined benefit	Teachers' Pensions	77	96
St Elizabeth's Centre	Defined benefit	The Pensions Trust	433	496
St Elizabeth's Centre	Defined contribution	Scottish Widows plc	33	10
St Anthony's Hospital	Defined contribution	Scottish Equitable plc	404	358
Other contributions			42	38
			989	998

Teachers' Pension Scheme (TPS)

Retirement benefits for teachers are provided by the Teachers' Pension Scheme (TPS) which is a defined benefit scheme.

The TPS is an unfunded scheme. Contributions on a 'pay-as-you-go' basis are credited to the Exchequer under arrangements governed by the Superannuation Act 1972. A notional asset value is ascribed to the scheme for the purposes of determining contribution rates.

Under the definitions set out in Financial Reporting Standard 17, 'Retirement Benefits' (FRS 17), the TPS is a multi-employer pension scheme. St Elizabeth's Centre is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Centre has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme.

17 Pension commitments (continued)

Teachers' Pension Scheme (TPS) (continued)

Set out below is the information available on the scheme and the implications for the Centre in terms of the anticipated contribution rates. The pensions cost is assessed not less than every four years, with a supporting interim valuation in-between in accordance with the advice of the Government Actuary.

The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows:

Latest actuarial valuation	31 March 2004
Actuarial method	Prospective benefits
Gross rate of return	6.5% per annum
Real rate of return in excess of	
♦ Prices per annum	3.5%
♦ Earnings per annum	2.0%
♦ Rate of real earnings growth per annum	1.5%
Value of assets at date of last valuation	£163,240 million
Proportion of members' accrued benefits covered by the actuarial value of the assets	98%
The employers' contribution rate for the year was	14.1%

The Pensions Trust

The Pensions Trust administers pension schemes for charities and voluntary organisations and St Elizabeth's Centre operated a funded defined benefit pension scheme. The scheme does not contract members out of the State Second Pension.

Contributions payable are determined on the basis of triennial valuations carried out by a qualified actuary using the projected unit method.

The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows:

Latest actuarial valuation	30 September 2008
Actuarial method	Projected unit
Investment returns per annum	5.1 – 7.6%
Average inflation per annum	3.2%
Salary increases per annum	4.7%
Market value of assets at date of last valuation	£4,453,000
Proportion of members' accrued benefits covered by the actuarial value of the asset	71.9%

17 Pension commitments (continued)

The Pensions Trust (continued)

The employer has contributed at a rate of 10.7% of pensionable salaries for joiners before 1 October 2000 and 8.8% for those members who joined after 1 October 2000. Members have paid contributions in line with the rates outlined in Scheme documentation.

Movement in deficit during the year

	2012 £000	2012 £000	2011 £000	2011 £000
Deficit at 1 April 2011		(1,771)		(2,541)
Analysis of net contributions				
Current service cost – total operating charge	(428)		(439)	
Contributions	505		516	
		77		77
Analysis of net charge on pension scheme				
Expected return on pension scheme assets	453		416	
Interest on pension liabilities	(451)		(451)	
Net finance surplus (deficit)		2		(35)
Amounts recognised as other gains and losses				
Actual return less expected return on pension scheme assets	(162)		(29)	
Experience gains and losses arising on the scheme liabilities	218		153	
Change in financial and demographic assumptions underlying the scheme assets	(883)		604	
Actuarial (losses) gains recognised		(827)		728
Deficit at 31 March 2012		(2,519)		(1,771)

Other normal pension disclosures regarding assumptions, the scheme assets and the experience of gains and losses have been excluded as they are extensive and the scheme is a very small part of the charity's operations. Details can be obtained from the Company Secretary.