

THE SOCIETY OF THE DIVINE WORD

England & Wales · Charity number 1183256

Details

Other names	DIVINE WORD MISSIONARIES
Status	Registered
Legal form	CIO
Registered	2019-05-03
Register	View on the Charity Commission register

Contact

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Activities

Objects: THE OBJECT(S) OF THE CIO ARE: SUCH CHARITABLE PURPOSES WHICH ADVANCE THE RELIGIOUS AND OTHER CHARITABLE WORK FOR THE TIME BEING CARRIED ON BY OR UNDER THE DIRECTION OR WITH THE SUPPORT OF THE SOCIETY AS THE TRUSTEES WITH THE APPROVAL OF THE SUPERIOR SHALL FROM TIME TO TIME THINK FIT AND IF AT ANY TIME THE SOCIETY SHALL CEASE TO EXIST OR SHALL CEASE TO CARRY ON OR DIRECT OR SUPPORT ANY CHARITABLE WORK THEN FOR SUCH LAWFUL CHARITABLE PURPOSES CONNECTED WITH THE ADVANCEMENT OF THE ROMAN CATHOLIC RELIGION AS THE TRUSTEES SHALL DECIDE.

Activities: CARING FOR ELDERLY RETIRED MEMBERS: PASTORAL CARE AND SUPPORT IN ROMAN CATHOLIC PARISHES: SUPPORT AND CARE OF OVERSEAS MEMBERS STUDYING IN UK: SUPPORT OF MEMBER'S WORK IN OVERSEAS CHARITIES: HOSPITALITY FOR VISITING MEMBERS AND GUESTS FROM OVERSEAS: FUNDING FOR HUMAN DEVELOPMENT AND SOCIAL PROJECTS OVERSEAS: DONATIONS AND SUPPORT TO VARIOUS UK CHARITIES.

Classification

- **How:** Makes Grants To Organisations, Other Charitable Activities
- **What:** Religious Activities
- **Who:** Elderly/old People, Other Defined Groups, The General Public/mankind

Geography

- Throughout England

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£339,632	£268,094	-	-
2023-12-31	£327,944	£239,285	-	-
2022-12-31	£266,308	£235,389	-	-
2021-12-31	£293,274	£304,089	-	-
2020-12-31	£249,552	£184,312	-	-

Trustees

Name	Role	Appointed
Rev Eamonn Donnelly	Chair	2019-05-03
Rev Nicodemus Lobo Ratu		2019-05-03
Rev. Gerhard Osthues		2020-02-05
Sanjeeb Xaxa Fr.		2024-01-01

THE SOCIETY OF THE DIVINE WORD

England & Wales - Charity number 1183256

Accounts

The Society of the Divine Word CIO
Annual Report and Financial Statements
Year Ended 31 December 2024

Registered Charity Number: 1183256

The Society of the Divine Word CIO
Year Ended 31 December 2024
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**The Society of the Divine Word CIO
Year Ended 31 December 2024
Legal and Administrative Information**

Trustees	Rev. Eamonn Donnelly SVD Rev. Gerhard Osthune SVD Rev. Nicodemus Ratu SVD Rev. Sanjeeb Xaxa SVD Rev. Kieran Anthony Fitzharris SVD	(Chair) (District Bursar)
Registered Office	8 - 10 Teignmouth Road London England NW2 4HN	
Auditor	AAB Group Accountants Limited 1 - 3 Arthur Street Belfast Northern Ireland BT1 4GA	
Bankers	Metro Bank One Southampton Row London WC1B 5HA	
Solicitors	Messrs Veale Wasborough Visards Narrow Quay House Narrow Quay Bristol BS1 4QA	
Investment Managers	UBS AG 5 Broadgate London EC2M 2AN Newton Investment Management Ltd BNY Mellon Centre 160 Queen Victoria Street London EC4V 4LA	

The Society of the Divine Word CIO
Year Ended 31 December 2024
Report of the Trustees

The Trustees of the charity submit their annual report and the audited financial statements for the year ended December 31st 2024. The trustees have adopted the provisions of the FRS 102, "Accounting and Reporting by Charities", issued in 2014, in preparing the annual report and financial statements of the charity.

Constitution and Scope

The Society of the Divine Word is an international Society of Roman Catholic priests and brothers. It was founded in Germany in 1875 and its Generalate headquarters is now in Rome. The British District of the Irish and British Province having been registered with the Charity Commission as a Charitable Incorporated Organisation No. 1183256 on 3rd May 2019. The Governing Document of the Charity is a constitution, which states that, The object of the CIO is such charitable purposes which advance the religious and other charitable work for the time being carried on by or under the direction or with the support of the Society as the Trustees with the approval of the Provincial Superior shall from time to time think fit. The accounts accompanying this report are the accounts of the CIO on which the assets of the Society in England are held following the transfer of assets from the Trust (registered charity No. 276345) on 1st January 2020.

Appointment of Trustees

Under the terms of the Trust Deed, the Provincial Superior appoints new or additional trustees.

Trustee Induction and Training:

New trustees undergo orientation to brief them on their legal obligation under charity and Charity Commission's guidance on public benefit and decision-making process and all other matters required of Trustees. Trustees are encouraged to attend appropriate seminars and trustee conferences to familiarise their role and responsibilities as trustees.

Objects and policies

The general objects of The Society of the Divine Word are religious and charitable, and particularly for the promotion of the religious and human development of the peoples of the Developing World. The Society in Britain is concerned with providing for the financial and other needs of the Society for its projects and members especially in the Developing World. It also promotes its objectives through pastoral involvement in the local Church. It provides for its members from overseas who come to Britain for study or other work. It also cares for returned missionaries who are sick or retired.

Organisation

The British District of the Society is administered from our house in London. All the members of the Society in Britain belong to this house irrespective of where they actually live. Fr Alberto Escoto SVD manages the administration of the house & grants hospitality for the many people who come to the house during the year.

Activities

1.1 The British District is administered from the Society's London House. There are currently five Trustees, three drawn from the British Province and one from Ireland. They meet four to five times a year in pre-planned meetings with an agenda and minutes are taken.

1.2 The Society of the Divine Word provide Priests or Assistant Priests for several Parishes in Britain.

The Society of the Divine Word CIO
Year Ended 31 December 2024
Report of the Trustees

These are:

St. Bridget of Sweden and Our Lady of Sorrow Parish, Isleworth (Archdiocese of Westminster)
The Parish of St. Mary on the Quays, Bristol (Clifton Diocese)
Westminster Cathedral (Archdiocese of Westminster)

1.3 One retired SVD member is being cared for at Nazareth House Care Home, East Finchley.

1.4 The remainder of the SVD Priests in the British District live in the SVD Community in Kilburn, London.

Activities

The activities of the Society are focused on furthering its missionary objectives.

Main activities are as follows:

1. Providing hospitality & care from missionaries sent from overseas to study at British universities.
2. Provide financial and other support to the Society's overseas missions.
3. Pastoral work in chaplaincies and parishes in partnership with the local Church.
4. Promoting vocation to the Society.
5. Caring for sick and elderly retired missionaries unable to return overseas.
6. Receiving and helping our visiting missionaries.
7. Providing the administrative infrastructure necessary for these activities.

Review of the year and Public Benefit Statement 2024

Areas of Public Benefit provided by the British District of the Society of the Divine Word in the Kingdom

London Community:

During 2024 there were four members in the London House. One member is over 80 years of age and the rest of them are involved in various activities to promote religion in the Archdiocese of Westminster by helping in the pastoral ministry where needed. All members are ordained Roman Catholic Priests. Members who participate on a part time basis in the pastoral ministry of the Archdiocese do so by being present when called for in the various locations of the Westminster Archdiocese in London.

Care of the Elderly:

Our Society has an obligation, both moral and legal to provide care for its members. We aim to support members to live out their religious vocation in all moments of their lives. Those identified as being unsuitable for community living in our London House due to sickness or immobility, are located in appropriate accommodation.

The Society of the Divine Word CIO
Year Ended 31 December 2024
Report of the Trustees

Fr. Kevin O'Toole SVD who is in his 90s, and a former member of our house in London was moved to the Nazareth Care Home in East Finchley so as to provide him with better care and assisted living. Fr. Kevin lived and worked for many years in India, the West Indies and in parishes in the Archdiocese of Westminster. He was moved to a retirement home to improve his health and assure he has the care he needs at final years of his life. The Charity is responsible for his financial support.

St. Bridget of Sweden and Our Lady of Sorrow Parish

In 2017, The Society of Divine Word contracted with the Archdiocese of Westminster for the pastoral responsibility of the St. Bridget of Sweden at Isleworth, Richmond. We have two members residing at the parish house there. They also serve as part time chaplains in the Middlesex Hospital. Members in the London house help out in the Parish when needs arise.

Hospitality to Missionaries:

In our community in London we offer hospitality to our missionaries who come here on holidays, to recover from illness, doing renewal courses or attending conferences in the UK. As well as this, we often host our missionaries who may be passing through from their home countries. In 2021 because of the global pandemic this task was much diminished but we expect this to improve in the future.

Parish of St. Mary on the Quays Catholic Church, Bristol:

Two of our members are responsible for the pastoral Catholic ministry at St. Mary on the Quay in the city of Bristol. As such they assist the Roman Catholic Diocese of Clifton in the task to promote religion in that Diocese. The Priests also minister to a large student body who attend the various universities in Bristol. The parish is noted for its outreach to young people who are living and working in the city. Our administration there are presently members of The Society of the Divine Word from India and Africa and have been able to reach out to minority and ethnic groups in the parish community due to their multicultural and multilinguistic background.

Overseas Missionary Support:

Charity Funds are transferred when requested by our SVD Generalate administration in Rome to specific projects in our missionary works overseas. The trustees receive a report enabling them to be satisfied that funds are used for the purposes intended.

Reserves policy

The Charity's main source of income is derived from the investment of its financial resources and is credited monthly. The Trustees meet every two months or so and generally commit available monthly income to charitable activities and staff cost attributable to those activities. In the pandemic there have been some zoom connections to facilitate the work of the Trust including meetings of the Trust.

It is the policy of the trustees to maintain reserves at a sufficient level for the Society to continue its activities and to cover present and future costs of providing for its members, many of whom are now elderly.

The Society of the Divine Word CIO
Year Ended 31 December 2024
Report of the Trustees

Financial position of the Society

The Society's financial position is considered satisfactory by the trustees at the time of this report. The market value of the Society's freehold land and buildings is greater than the amount shown in the accounts where the value is stated at historic costs.

As of the 31 December 2019 the trust transferred to The Society of the Divine Word CIO no.1183256 its net assets of £8,750,188. From 1st January 2020 the CIO has taken on all the activities of the Trust described in this Trustees report.

As at year end 31 December 2024, The Society of the Divine Word CIO had total reserves of £10,645,719. These comprised of £8,929,012 of unrestricted, free reserves and £1,716,707 of designated funds.

Investment Policy and Objectives:

The trustees have agreed that the investment portfolios of the Charity should be managed on a discretionary basis by UBS Wealth Management and by Newton Investment Management Limited.

The objective is for capital and income growth which over the long term will endeavour to maintain the real value of the assets. The trustees have an ethical policy that is in accord with Charity Commission guidelines. They exclude investments in armaments, gambling, tobacco, suppressive regimes and others that are not suitable for the Charity. The investment objective is to be achieved by investment in a balanced portfolio comprised of equities, fixed interest and cash with a medium risk profile.

In order to monitor progress, both investment houses will provide quarterly capital performance reports. These reports will include the movement of the FT All Share Index over the same periods. The trustees will periodically consider whether there is a need to revise the Investment Policy Statement & if so, will immediately advise both its investment houses.

Principle Risks and Risk Management:

The trustees have assessed the principle financial risk facing the charity to be: Ongoing financial pressure on income from donations, bequests and charitable activities due to ongoing recessionary environment.

The steps taken to reduce these risks include:

* Use of personal communications strategy with existing donors and benefactors and creation of awareness of the activities of our missionary works generally.

* Strengthening of financial controls and internal procedures, increased financial reporting and ongoing monitoring of results compared to budgets during the year and also reducing expenses wherever possible.

* Due to change in the financial investment industry and decline in fixed deposits interest rates, we have changed our investment strategy. We decided to invest funds into investment funds for higher returns with constant monitoring of our funds and regular meetings with fund managers to ensure that our funds are safe and giving adequate returns each year to bridge the gap between expenses over income.

* The trustees have assessed the major risks to which the charity is exposed, in particular those related to operations and finances of the charity & are satisfied that systems are in place to mitigate our exposure to of major risks.

The Society of the Divine Word CIO
Year Ended 31 December 2024
Report of the Trustees

RESPONSIBILITIES OF THE TRUSTEES

The Board of Directors (who are also the Trustees of The Society of the Divine Word CIO for the purposes of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Board of Directors to prepare financial statements for each financial year. Under that law the Board of Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Board of Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the income and expenditure of the charitable company for that period.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure to our auditors:

In so far as the Board of Directors are aware at the time of approving our trustees' annual report:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Society of the Divine Word CIO
Year Ended 31 December 2024
Report of the Trustees

The Future:

In spite of the aging profile of our members and continuing pressures on financial resources, we nevertheless intend to maintain the level of work and public benefit services that we have been providing.

The main focus in 2025 and beyond will be on maintaining tight control over financial resources and ensuring the best use of these resources through obtaining overall cost savings and efficiencies in the way we conduct our operations.

Approved by the Trustees on

Signed on behalf of the Trustees

.....
Fr Eamonn Donnelly SVD
Trustee

The Society of the Divine Word CIO
Year Ended 31 December 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SOCIETY OF DIVINE WORD CIO
Year Ended 31 December 2024

Opinion

We have audited the financial statements of The Society of Divine Word CIO for the year ended 31 December 2024 which comprises the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows & the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102. The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at year ended 31 December 2024 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.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

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

The Society of the Divine Word CIO
Year Ended 31 December 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SOCIETY OF DIVINE WORD CIO
Year Ended 31 December 2024

material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees Report for the financial year for which the accounts are prepared is consistent with the accounts; and

- the Trustees Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Trustees and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees Report.

We have nothing to report in respect of the following matters in relation to which the 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 accounts 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.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees Responsibilities, the Trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

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

The Society of the Divine Word CIO
Year Ended 31 December 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SOCIETY OF DIVINE WORD CIO
Year Ended 31 December 2024

We obtained an understanding of the legal and regulatory framework applicable to the company through enquiry of management, sector research and the application of cumulative audit knowledge. We identified the following principal laws and regulations relevant to the company – Companies Act 2006, Charities Act (Northern Ireland) 2008 and the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

We developed an understanding of the key fraud risks to the entity (including how fraud might occur), the controls in place to help mitigate those risks, and the accounts, balances and disclosures within the financial statements which may be susceptible to management bias. Our understanding was obtained through review of the financial statements for significant accounting estimates, analysis of journal entries, walkthrough of the key controls cycles in place and enquiry of management.

Our procedures to respond to those risks identified included, but were not limited to:

- Enquiry of management, and the entity's solicitors around actual and potential litigation and claims.
- Enquiry of management to identify any instances of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>.

This description forms part of our auditor's report.

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

Teresa Campbell (Senior Statutory Auditor)
for and on behalf of
AAB Group Accountants Limited
Chartered Accountants &
Statutory Auditor
1-3 Arthur Street
Belfast
BT1 4GA

Date

The Society of the Divine Word CIO
Statement of Financial Activities
(incorporating an income and expenditure account)
Year Ended 31 December 2024

Notes	General Funds £	Designated Funds £	Total Funds 2024 £	Total Funds 2023 £
Income and endowments from:				
Donations	14,234	-	14,234	14,614
Legacies	-	-	-	36,724
Salaries and pension	14,563	-	14,563	5,013
Collections and mass stipends	17,268	-	17,268	9,527
Room and board	9,885	-	9,885	6,550
Investment income	233,901	17,748	251,649	288,680
Interest Income	32,033	-	32,033	-
Total Income and endowments	321,884	17,748	339,632	361,108
Expenditure on:				
Cost of generating funds:				
Investment management fees	(59,086)	-	(59,086)	(54,551)
Charitable Activities:				
Charitable Activities	(209,008)	-	(209,008)	(184,734)
Total Expenditure	(268,094)	-	(268,094)	(239,285)
Net gain (loss) on investments	626,754	90,509	717,263	550,451
Net income / (expenditure) for the year before transfers	680,544	108,257	788,801	672,274
Transfers between funds	-	-	-	-
Net movement in funds	680,544	108,257	788,801	672,274
Reconciliation of funds:				
Total funds brought forward	8,248,468	1,608,450	9,856,918	9,184,644
Total Funds Carried Forward	8,929,012	1,716,707	10,645,719	9,856,918

All income derives from continuing activities, therefore no statement of recognised gains or losses is given.

The notes on pages 14 to 20 form part of these financial statements.

The Society of the Divine Word CIO
Year Ended 31 December 2024
Balance Sheet
as at 31 December 2024

	Note	2024 £	Restated 2023 £
Fixed Assets			
Tangible assets	7	204,792	204,792
Investments	8	9,592,790	8,927,788
		<u>9,797,582</u>	<u>9,132,580</u>
Current Assets			
Debtors	9	-	35,195
Cash at bank and in hand	8	863,787	705,643
		<u>863,787</u>	<u>740,838</u>
Creditors: amounts falling due within one year	10	(15,650)	(16,500)
NET CURRENT ASSETS		848,137	724,338
NET ASSETS		<u>10,645,719</u>	<u>9,856,918</u>
Represented by:			
General Funds	11	8,929,012	8,248,468
Designated Funds	11	1,716,707	1,608,450
		<u>10,645,719</u>	<u>9,856,918</u>

These financial statements were approved by the members of the committee and authorised for issue on the and are signed on their behalf by:

Fr Eamonn Donnelly SVD
Trustee

Registered Charity Number: 1183256

The notes on pages 14 to 20 form part of these financial statements.

The Society of the Divine Word CIO
Year Ended 31 December 2024
Statement of Cashflows
as at 31 December 2024

	Note	2024 £	Restated 2023 £
<i>Cash used in operating activities</i>	14	(174,541)	(183,957)
<i>Cash flows from investing activities</i>			
Dividend income		251,649	288,680
Interest income		32,033	-
Proceeds of investment sales		2,137,493	1,483,759
Purchases of investments		(2,088,490)	(1,537,711)
<i>Net cash flow from investing activities</i>		<u>332,685</u>	<u>234,728</u>
Increase/(Decrease) in cash and cash equivalents in the year		<u>158,144</u>	<u>50,771</u>
Cash and cash equivalents at beginning of period		705,643	654,872
<i>Cash and cash equivalents at end of period</i>		<u>863,787</u>	<u>705,643</u>

The notes on pages 14 to 20 form part of these financial statements.

The Society of the Divine Word CIO
Year Ended 31 December 2024
Notes to the Financial Statements
as at 31 December 2024

1 ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Society of the Divine Word CIO meets the definition of a public benefit entity under FRS 102.

b) Preparation of the accounts on a going concern basis

The financial statements are prepared on a going concern basis. Taking account of the risk review undertaken by the directors they do not consider there to be a risk to the going concern status of the charity or the group. The Directors will review the financial position on a regular and frequent basis, taking any action needed to ensure that charity remains fit for purpose and on this basis the assessment of the directors is that the charity is a going concern.

c) Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

General funds may be transferred to designated funds where Trustees wish to use these funds for a specific purpose. Such funds may be transferred back to general funds once the criteria for the designation have been met or are no longer applicable.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of restricted funds is set out in the notes to the financial statements. Restricted funds may only be transferred to general or designated funds once the criteria for restriction have been discharged or no longer apply.

d) Income Recognition Policies

Items of income are recognised and included in the accounts when all of the following criteria are met:

- The charity has entitlement to the funds;
- any performance conditions attached to the item of income has been met or are fully within the control of the charity;
- there is sufficient certainty that receipt of the income is considered probable; and
- the amount can be measured reliably.

e) Donated services and facilities

In accordance with the Charities SORP (FRS 102), the general volunteer time of supporters is not recognised.

f) Interest Receivable

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

The Society of the Divine Word CIO
Year Ended 31 December 2024
Notes to the Financial Statements
as at 31 December 2024

1 ACCOUNTING POLICIES (continued)

g) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on charitable activities includes the costs of supporting refugee families and activities undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

h) Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities.

i) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening the deposit or similar account.

j) Tangible Fixed Assets

Individual fixed assets are capitalised at cost and are depreciated over their estimated useful economic lives on a straight line basis as follows:

Asset Category:	Annual Rate
Land and Buildings	Not depreciated

The carrying values of tangible fixed assets are reviewed for impairment when events or circumstances indicate the carrying value may not be recoverable.

k) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid after taking account of any trade discount due.

l) Creditors and Provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

m) Pensions

The company operates a defined contribution pension scheme. Contributions are charged in the statement of financial activities as they become payable in accordance with the rules of the scheme.

The Society of the Divine Word CIO
Year Ended 31 December 2024
Notes to the Financial Statements
as at 31 December 2024

1 ACCOUNTING POLICIES (continued)

n) Taxation

The company is a registered charity and the charitable tax exemptions are therefore being claimed to the extent that income and/or gains are applicable and applied to charitable purposes only. These exemptions will remain in place as long as income and expenditure is applied to charitable purposes only.

o) Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, the net amounts are presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instruments are measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Charity's contractual obligations expire or are discharged or cancelled.

p) Critical accounting estimates and judgements

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The Society of the Divine Word CIO
Year Ended 31 December 2024
Notes to the Financial Statements (cont)
as at 31 December 2024

2 Results for the year

The results for the year has been arrived at after charging the following:

	2024	2023
	£	£
Auditors Remuneration	7,650	6,000
	7,650	6,000

3 Analysis of expenditure on charitable activities:

	General	Designated	Total Funds	Total Funds
	£	£	2024	2023
	£	£	£	
Direct Costs (see Note 4)	198,612	-	198,612	184,734
Governance Costs (see Note 5)	10,396	-	10,396	13,719
	209,008	-	209,008	198,453

The 2024 total of £198,453 was all treated as general expenditure.

4 Analysis of direct costs:

	General	Designated	Total	Total Funds
	£	£	2024	2023
	£	£	£	£
Board and lodging	50,220	-	50,220	48,605
Property Maintenance	27,827	-	27,827	3,061
Community Expenses	80,837	-	80,837	105,054
Admin and governance costs	5,983	-	5,983	23,574
Support of Missions	33,745	-	33,745	4,440
	198,612	-	198,612	184,734

5 Analysis of governance costs

	Charitable	Total	Total Funds
	Activities	2024	2023
	£	£	£
Auditors' remuneration	7,650	7,650	6,000
Accountancy Fees	2,151	2,151	4,884
Legal and professional fees	595	595	2,835
	10,396	10,396	13,719

The Society of the Divine Word CIO
Year Ended 31 December 2024
Notes to the Financial Statements (cont)
as at 31 December 2024

6 Staff costs

The average monthly number of employees was nil (2023: Nil) and the average monthly number of employees during the year expressed as full time equivalents was as follows (including casual and part time staff):

	2024 Number	2023 Number
Employees	-	-

No employee has emoluments in excess of £60,000 (2023: 0).

Remuneration paid in the year by the Charity's key management amounted to £Nil (2023: £Nil).

The charity Trustees were not paid nor did they receive any other benefits from employment with the charity in the year (2023: £nil) neither were they reimbursed expenses during the year (2023: £nil). No charity Trustee received payment for professional or other services supplied to the charity (2023: £nil).

7 Tangible Fixed Assets

	Land and Building £	Motor Vehicles £	Total £
Cost:			
As at 1 April 2023	204,792	11,795	216,587
Additions	-	-	-
As at 31 March 2024	204,792	11,795	216,587
Depreciation:			
As at 1 April 2023	-	11,795	11,795
Charge for the year	-	-	-
As at 31 March 2024	-	11,795	11,795
Net Book Value			
As at 31 March 2023	204,792	-	204,792
As at 31 March 2024	204,792	-	204,792

The Society of the Divine Word CIO
Year Ended 31 December 2024
Notes to the Financial Statements (cont)
as at 31 December 2024

8 Investments

	2024	2023
Balance as at 1 January 2024	8,927,788	8,323,385
Purchases	2,088,490	1,537,711
Proceeds of sales	(2,137,493)	(1,483,759)
Net movement in year	714,005	550,451
Balance as at 31 December 2024	<u>9,592,790</u>	<u>8,927,788</u>
Cash held by investment managers	<u>795,167</u>	<u>536,057</u>
Total investments	<u>10,387,957</u>	<u>9,463,845</u>

9 Debtors

	2024	2023
	£	£
Other Debtors and Accrued income	-	35,195
	<u>-</u>	<u>35,195</u>

10 Creditors; amounts falling due within one year

	2024	2023
	£	£
Due to Generalate	8,000	8,000
Other creditors and accruals	7,650	8,500
	<u>15,650</u>	<u>16,500</u>

11 Analysis of Movements in Funds

	Opening Balance	Income	Expenditure	Gain/(loss) on As at 31 December investments	2024
	£	£	£	£	£
Unrestricted funds					
General funds - all funds	<u>8,248,468</u>	<u>321,884</u>	<u>(268,094)</u>	<u>626,754</u>	<u>8,929,012</u>
Restricted funds					
Restricted funds - all funds	<u>1,608,450</u>	<u>17,748</u>	<u>-</u>	<u>90,509</u>	<u>1,716,707</u>
Total	<u>9,856,918</u>	<u>339,632</u>	<u>(268,094)</u>	<u>717,263</u>	<u>10,645,719</u>

The Society of the Divine Word CIO
Year Ended 31 December 2024
Notes to the Financial Statements (cont)
as at 31 December 2024

11 Analysis of Movements in Funds (Continued)

	Opening Balance	Income	Expenditure	Gain/(loss) on investments	Transfers	As at 31 December 2023
	£	£	£	£	£	£
Unrestricted funds						
General funds - all funds	<u>7,671,153</u>	<u>327,944</u>	<u>(239,285)</u>	471,421	<u>17,235</u>	<u>8,248,468</u>
Restricted funds						
Restricted funds - all funds	<u>1,513,491</u>	<u>33,164</u>	<u>-</u>	<u>79,030</u>	<u>(17,235)</u>	<u>1,608,450</u>
Total	<u>9,184,644</u>	<u>361,108</u>	<u>(239,285)</u>	<u>550,451</u>	<u>-</u>	<u>9,856,918</u>

12 Analysis of net assets between funds

	General funds 2024	Designated funds 2024	Total funds 2024	Total funds 2023
	£	£	£	£
Tangible fixed assets	-	204,792	204,792	204,792
Investments	8,080,875	1,511,915	9,592,790	8,927,788
Current assets	863,787	-	863,787	740,838
Creditors due one year	<u>(15,650)</u>	<u>-</u>	<u>(15,650)</u>	<u>(16,500)</u>
	<u>8,929,012</u>	<u>1,716,707</u>	<u>10,645,719</u>	<u>9,856,918</u>

13 Related party transactions

There were no related party transactions during the year (2023: £Nil).

14 Reconciliation of net cash movement in funds to net cash flow from operating activities

	2024	Restated 2023
	£	£
Net movement in funds	788,801	672,274
Investment Income	(251,649)	(288,680)
Interest income	(32,033)	-
(Add)/deduct net movement in investments	(714,005)	(550,451)
Decrease / (increase) in debtors	35,195	(17,100)
(Decrease) / increase in creditors	850	-
Net cash used in operating activities	<u>(174,541)</u>	<u>(183,957)</u>

The 2023 cash flow note has been restated to include cash balances held by investment managers that were previously excluded from the statement of cash flows. In the prior year's financial statements, these amounts were classified as part of investments rather than as cash or cash equivalents. In accordance with the relevant financial reporting standards, it was determined that these balances meet the definition of cash and cash equivalents because they are readily available for use in operations.

THE SOCIETY OF THE DIVINE WORD

England & Wales - Charity number 1183256

Accounts

Society of the Divine Word CIO

Trustees' Report and Accounts

31 December 2023

Registered Charity No 1183256

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Society of the Divine Word CIO
Legal and Administrative Information

TRUSTEES Rev. Eamonn Donnelly SVD (Chair)
Rev. Gerhard Osthues SVD (District Bursar)
Rev. Nicodemus Ratu SVD
Rev. Sanjeeb Xaxa SVD

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One Southampton Row
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SOLICITORS Messrs Veale Wasbrough Vizards
Narrow Quay House
Narrow Quay
Bristol BS1 4QA

INVESTMENT MANAGERS UBS AG
5 Broadgate
London EC2M 2AN

Newton Investment Management Ltd
BNY Mellon Centre
160 Queen Victoria Street
London EC4V 4LA

Society of the Divine Word CIO

Trustees' Report

The Trustees of the charity submit their annual report and the financial statements for the year ended December 31st 2023. The trustees have adopted the provisions of the FRS 102, "Accounting and Reporting by Charities", issued in 2014, in preparing the annual report and financial statements of the charity.

Constitution and Scope

The Society of the Divine Word is an international Society of Roman Catholic priests and brothers. It was founded in Germany in 1875 and its Generalate headquarters is now in Rome. The British District of the Irish and British Province having been registered with the Charity Commission as a Charitable Incorporated Organisation No. 1183256 on 3rd May 2019. The Governing Document of the Charity is a constitution, which states that, *The object of the CIO is such charitable purposes which advance the religious and other charitable work for the time being carried on by or under the direction or with the support of the Society as the Trustees with the approval of the Provincial Superior shall from time to time think fit.* The accounts accompanying this report are the accounts of the CIO on which the assets of the Society in England are held following the transfer of assets from the Trust (registered charity No. 276345) on 1st January 2020.

Appointment of Trustees

Under the terms of the Trust Deed, the Provincial Superior appoints new or additional trustees.

Trustee Induction and Training:

New trustees undergo orientation to brief them on their legal obligation under charity and Charity Commission's guidance on public benefit and decision-making process and all other matters required of Trustees. Trustees are encouraged to attend appropriate seminars and trustee conferences to familiarize their role and responsibilities as trustees.

Objects and policies

The general objects of the Society of the Divine Word are religious and charitable, and particularly for the promotion of the religious and human development of the peoples of the Developing World. The Society in Britain is concerned with providing for the financial and other needs of the Society for its projects and members especially in the Developing World. It also promotes its objectives through pastoral involvement in the local Church. It provides for its members from overseas who come to Britain for study or other work. It also cares for returned missionaries who are sick or retired.

Organisation

The British District of the Society is administered from our house in London. All the members of the Society in Britain belong to this house irrespective of where they actually live. Fr Alberto Escoto SVD manages the administration of the house and grants hospitaliy for the many people who come to the house during the year.

Activities

1.2 The British District is administered from the Society's London House. There are currently four Trustees, three drawn from the British Province and one from Ireland. They meet four to five times a year in pre-planned meetings with an agenda and minutes are taken.

1.3 The Society of the Divine Word provide Priests or Assistant Priests for several Parishes in Britain. These are:

St. Bridget of Sweden and Our Lady of Sorrow Parish, Isleworth (Archdiocese of Westminster)

The Parish of St. Mary on the Quays, Bristol (Clifton Diocese)

Society of the Divine Word CIO Trustees' Report

Westminster Cathedral (Archdiocese of Westminster)

1.4 One retired member of the SVD is being cared for at Nazareth House Care Home, East Finchley.

1.5 The remainder of the SVD Priests in the British District live in the SVD Community in Kilburn, London.

Activities

The activities of the Society are focused on furthering its missionary objectives. The main activities are the following:

1. Providing hospitality and care from missionaries sent from overseas to study at universities in Britain.
2. Provide financial and other support to the Society's overseas missions.
3. Pastoral work in chaplaincies and parishes in partnership with the local Church.
4. Promoting vocation to the Society.
5. Caring for sick and elderly retired missionaries unable to return overseas.
6. Receiving and helping our visiting missionaries.
7. Providing the administrative infrastructure necessary for these activities.

Review of the year and Public Benefit Statement 2023

Areas of Public Benefit provided by the British District of the Society of the Divine Word in the United Kingdom during the year 2023

London Community:

During 2023 there were four members in the London House. One member is over 80 years of age and the rest of them are involved in various activities to promote religion in the Archdiocese of Westminster by helping in the pastoral ministry where needed. All members are ordained Roman Catholic Priests. Members who participate on a part time basis in the pastoral ministry of the Archdiocese do so by being present when called for in the various locations of the Westminster Archdiocese in London.

Care of the Elderly:

Our Society has an obligation, both moral and legal to provide care for its members. We aim to support members to live out their religious vocation in all moments of their lives. Those identified as being unsuitable for community living in our London House due to sickness or immobility, are located in appropriate accommodation.

Fr. Kevin O'Toole SVD who is in his 90s, and a former member of our house in London was moved to the Nazareth Care Home in East Finchley so as to provide him with better care and assisted living. Fr. Kevin lived and worked for many years in India, the West Indies and in parishes in the Archdiocese of Westminster. He was moved to a retirement home to improve his health and assure he has the care he needs at final years of his life. The Charity is responsible for his financial support.

St. Bridget of Sweden and Our Lady of Sorrow Parish

In 2017, The Society of Divine Word contracted with the Archdiocese of Westminster for the pastoral

Society of the Divine Word CIO Trustees' Report

responsibility of the St. Bridget of Sweden at Isleworth, Richmond. We have two members residing at the parish house there. They also serve as part time chaplains in the Middlesex Hospital. Members in the London house help out in the Parish when needs arise.

Hospitality to Missionaries:

In our community in London we offer hospitality to our missionaries who come here on holidays, to recover from illness, doing renewal courses or attending conferences in the UK. As well as this, we often host our missionaries who may be passing through from their home countries. In 2021 because of the global pandemic this task was much diminished but we expect this to improve in the future

Parish of St. Mary on the Quays Catholic Church, Bristol:

Two of our members are responsible for the pastoral Catholic ministry at St. Mary on the Quay in the city of Bristol. As such they assist the Roman Catholic Diocese of Clifton in the task to promoting religion in that Diocese. The Priests also minister to a large student body who attend the various universities in Bristol. The parish is noted for its outreach to young people who are living and working in the city. Our administration there are presently members of the Society of The Divine Word from India and Africa and have been able to reach out to minority and ethnic groups in the parish community due to their multicultural and multilinguistic background.

Overseas Missionary Support:

Charity Funds are transferred when requested by our SVD Generalate administration in Rome to specific projects in our missionary works overseas. The trustees receive a report enabling them to be satisfied that funds are used for the purposes intended.

Reserves policy

The Charity's main source of income is derived from the investment of its financial resources and is credited monthly. The Trustees meet every two months or so and generally commit available monthly income to charitable activities and staff cost attributable to those activities. In the pandemic there have been some zoom connections to facilitate the work of the Trust including meetings of the Trust. It is the policy of the trustees to maintain reserves at a sufficient level for the Society to continue its activities and to cover present and future costs of providing for its members, many of whom are now elderly.

Financial position of the Society

The Society's financial position is considered satisfactory by the trustees at the time of this report . The market value of the Society's freehold land and buildings is greater than the amount shown in the accounts where the value is stated at historic costs. As of the 31 December 2019 the trust transferred to The Society of the Divine Word CIO no.1183256 its net assets of £8,750,188. From 1st January 2020 the CIO has taken on all the activities of the Trust described in this Trustees report.

Investment Policy and Objectives:

The trustees have agreed that the investment portfolios of the Charity should be managed on a discretionary basis by UBS Wealth Management and by Newton Investment Management Limited.

The objective is for capital and income growth which over the long term will endeavour to maintain the

Society of the Divine Word CIO Trustees' Report

real value of the assets. The trustees have an ethical policy that is in accord with Charity Commission guidelines. They exclude investments in armaments, gambling, tobacco, suppressive regimes and others that are not suitable for the Charity. The investment objective is to be achieved by investment in a balanced portfolio comprised of equities, fixed interest and cash with a medium risk profile.

In order to monitor progress, both investment houses will provide quarterly capital performance reports. These reports will include the movement of the FT All Share Index over the same periods. The trustees will periodically consider whether there is a need to revise the Investment Policy Statement and if so, will immediately advise both its investment houses.

Principle Risks and Risk Management:

The trustees have assessed the principle financial risk facing the charity to be: Ongoing financial pressure on income from donations, bequests and charitable activities due to ongoing recessionary environment.

The steps taken to reduce these risks include:

- * Use of personal communications strategy with existing donors and benefactors and creation of awareness of the activities of our missionary works generally.
- * Strengthening of financial controls and internal procedures, increased financial reporting and ongoing monitoring of results compared to budgets during the year and also reducing expenses wherever possible.
- * Due to change in the financial investment industry and decline in fixed deposits interest rates, we have changed our investment strategy. We decided to invest our funds into investment funds for higher returns with constant monitoring of our funds and regular meetings with fund managers to ensure that our funds are safe and giving adequate returns each year to bridge the gap between expenses over income.

* The trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity and are satisfied that systems are in place to mitigate our exposure to major risks.

TRUSTEES' RESPONSIBILITIES WITH REGARD TO THE ACCOUNTS

Under charity law, the trustees are responsible for preparing the Trustees' Annual Report and the financial statements for each financial year which show a true and fair view of the state of affairs of the charity and of the excess of income over expenditure for that period. In preparing these financial statements, generally accepted accounting practice entails the trustees:

- * select suitable accounting policies and then apply them consistently;
- * make judgements and estimates that are reasonable and prudent;
- * state whether the recommendations of the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- * state whether the statements comply with the trust deed, subject to any material departures disclosed and explained in the financial statements;
- * prepare financial statements on the going concern basis unless it is inappropriate

Society of the Divine Word CIO

Trustees' Report

to presume the charity will continue its activities.

The trustees are required to act in accordance with the trust deed of the charity, within the framework of Trust law. They are responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the trustees to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision.

They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

The Future:

In spite of the aging profile of our members and continuing pressures on financial resources, we nevertheless intend to maintain the level of work and public benefit services that we have been providing. The main focus in 2024 and beyond will be on maintaining tight control over financial resources and ensuring the best use of these resources through obtaining overall cost savings and efficiencies in the way we conduct our operations.

It is clear that the effects of the virus pandemic will affect the CIO,s income in 2024 as it is expected that the investment income will reduce however the Trustees do not envisage that any deficit that may arise will seriously reduce the reserves or cause any going concern problems.

Approved by the Trustees on October 2nd. 2024

Signed on behalf of the Trustees

Eamonn Donnelly SVD

Trustee

Society of the Divine Word CIO Independent Auditor's Report

Independent auditors' report to the Trustees of the Society of the Divine Word CIO

We have audited the financial statements of the Society of the Divine Word CIO for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Balance Sheet, Statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2023 and of its incomes and expenditure for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

- Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the CIO's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.
- Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:-

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 6, the Trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the accounts

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

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

How the audit was considered capable of detecting irregularities including fraud

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Charity through discussions with management and trustees, and from our knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to the Charities Act 2011, Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102) (effective 1 January 2019); and Safeguarding Regulations as they affect the direct charitable activities of the charity; and
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and those charged with governance and reviewed minutes of trustees' meetings.

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

- making enquiries of management and trustees as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested and reviewed journal entries to identify unusual transactions;
- tested the authorisation of expenditure
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of trustees; and
- enquiring of management and trustees as to actual and potential litigation and claims.

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

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

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

Society of the Divine Word CIO
Independent Auditor's Report

Use of report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Borucki & Co

Chartered Accountants and Statutory Auditors

42 Radnor Road

Harrow

Middlesex HA1 1RZ

Signed on 19 October 2024

Borucki & Co is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

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Society of the Divine Word CIO
Statement of Financial Activities
for the year ended 31 December 2023

	Notes	General Funds 2023 £	Designated Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £	General Funds 2022 £	Designated Funds 2022 £
Income							
Voluntary income:							
Donations		14,614	-	14,614	5,366	5,366	-
Legacies		36,724	-	36,724	3,554	3,554	-
Salaries and pensions		5,013	-	5,013	7,850	7,850	-
Collections and mass stipends		9,527	-	9,527	9,880	9,880	-
Room and board		6,550	-	6,550	7,850	7,850	-
Investment income		255,516	33,164	288,680	249,522	219,165	30,357
Other income		-	-	-	12,643	12,643	-
Total incoming resources		327,944	33,164	361,108	296,665	266,308	30,357
Expenditure							
Cost of generating funds:							
Investment management fees		54,551	-	54,551	54,970	54,970	-
Charitable activities:							
Pastoral activities							
Upkeep of communities							
Board and lodging		48,605	-	48,605	47,035	47,035	-
Property maintenance		3,061	-	3,061	4,725	4,725	-
Community expenses		105,054	-	105,054	101,436	101,436	-
Administration and governance costs		23,574	-	23,574	14,404	14,404	-
Support of Missions		4,440	-	4,440	12,919	12,919	-
		184,734	-	184,734	180,519	180,519	-
Total expenditure		239,285	-	239,285	235,489	235,489	-
Net gains (losses) on investments		471,421	79,030	550,451	(849,613)	(712,774)	(136,839)
Transfers between funds		17,235	(17,235)	-	-	16,881	(16,881)
Net movement in funds		577,315	94,959	672,274	(788,437)	(665,074)	(123,363)
Balances brought forward at 1 January 2023		7,671,153	1,513,491	9,184,644	9,973,081	8,336,227	1,636,854
Balances carried forward at 31 December 2023		8,248,468	1,608,450	9,856,918	9,184,644	7,671,153	1,513,491

None of the charity's activities were acquired or permanently discontinued

The charity has no recognised gains and losses other than those shown above and therefore no separate statement of total recognised gains and losses has been presented

Society of the Divine Word CIO
Balance Sheet
as at 31 December 2023

	Notes	2023 £	2022 £
Fixed assets			
Tangible assets	4	204,792	204,792
Investments	5	<u>9,463,845</u>	<u>8,705,173</u>
		9,668,637	8,909,965
Current assets			
Debtors	6	35,195	18,095
Cash at bank and in hand		<u>169,586</u>	<u>273,084</u>
		204,781	291,179
Creditors: amounts falling due within one year			
	7	(16,500)	(16,500)
Net current assets		<u>188,281</u>	<u>274,679</u>
Total assets less current liabilities		<u>9,856,918</u>	<u>9,184,644</u>
Funds			
Designated	8	1,608,450	1,513,491
General		<u>8,248,468</u>	<u>7,671,153</u>
		<u>9,856,918</u>	<u>9,184,644</u>

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Eamonn Donnelly SVD

Trustee

Approved by the Trustees on October 2nd. 2024

Society of the Divine Word CIO
Statement of cash flows
for the year ended 31 December 2023

	Note	2023 £	2022 £
Cash used in operating activities	A	<u>(183,957)</u>	<u>(188,346)</u>
Cash flows from investing activities			
Investment income		288,680	249,522
Proceeds of investment sales		1,483,759	1,919,204
Purchases of investments		<u>(1,537,711)</u>	<u>(2,114,707)</u>
Cash provided (used) in investing activities		<u>234,728</u>	<u>54,019</u>
Decrease in cash and cash equivalents in year		<u>50,771</u>	<u>(134,327)</u>
Movement in year			
(Decrease) increase in cash at bank and in hand		(103,498)	-
(Decrease) increase in cash held by investment managers and deposits		<u>154,269</u>	<u>(5,490)</u>
		<u>50,771</u>	<u>(5,490)</u>

A. Reconciliation of net movement in funds to net cash flow from operating activities

	2023 £	2023 £
Net movement in funds	672,274	(788,437)
Deduct investment income	(288,680)	(249,522)
Add/(deduct) net movement on investments.	(550,451)	849,613
Value of net current assets transferred to CIO	-	-
Increase (decrease) in creditors	-	-
(Increase) decrease in debtors	<u>(17,100)</u>	<u>-</u>
	<u>(183,957)</u>	<u>(188,346)</u>

Society of the Divine Word CIO
Notes to the Accounts
for the year ended 31 December 2023

1 Accounting policies

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. Donations, are recognised when the Trust has been notified in writing of both the amount and settlement date. Legacies are recognised on a case by case basis following the granting of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield in the investment portfolio.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

The cost of generating funds includes the fees paid to investment managers in respect of the management of the charity's investment portfolios.

Expenditure on charitable activities comprises direct expenses incurred on the defined charitable purposes of the charity and includes staff costs attributable to the activity.

The contribution to the Generalate is calculated annually and represents the excess of the budgeted net expenditure for the year over the free reserve at the end of the previous year, as adjusted for the purchase or sale of land and buildings.

Governance costs comprise of expenditure on compliance with and advice on constitutional and statutory matters.

As all expenditure can be attributed to specific categories no apportionment between heading has been necessary. Irrecoverable VAT is included in the items of expenditure to which it relates.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Society of the Divine Word CIO
Notes to the Accounts
for the year ended 31 December 2023

Tangible fixed assets

Freehold land and buildings, in the main used as private residential accommodation, are included at a valuation based either on a value estimated by the trustees or on historical cost. The Trustees do not consider that the expense of a professional valuation in order to ascertain the separate values of the land and buildings is justified.

The buildings are in constant use in furtherance of the charitable objectives and are maintained to standards that ensure that their residual value is not less than the book value. Buildings are not depreciated, for reason stated, they have a very long useful economic life such that annual depreciation would be immaterial.

Depreciation is provided on other tangible fixed assets costing more than £1,000, other than freehold land and buildings, at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, as follows:

Fixtures and equipment	20% p.a. straight line
Motor Vehicles	25% p.a. straight line

After five years fixtures and equipment are written out of the accounts as in the opinion of the trustees they have no residual value.

Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

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

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

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year.

Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Fund accounting

The general fund comprises those monies, which may be used towards meeting the charitable objectives of the charity at the discretion of the Trustees.

The designated funds are monies set aside out of general funds and designated for specific purposes by the Trustees.

The restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor imposed conditions.

Taxation

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

2 Expenditure	2023	2022
	£	£
Included in expenditure are:		
Staff costs	16,485	12,664
Auditors remuneration	6,000	5,900
Accountancy fees	4,884	3,226

The average number of employees, analysed by function was:

Society of the Divine Word CIO
Notes to the Accounts
for the year ended 31 December 2023

Domestic 1 1

3 Transactions with Trustees

As members of the Society, the Trustees' living expenses during the year were borne by the Trust but the Trustees received no remuneration or other benefits in connection with their duties as Trustees during the year or in the previous year.

4 Tangible fixed assets

	Land, buildings and contents	Fixtures and equipment	Motor vehicles	Total
At 1 January 2023	204,792	-	11,795	216,587
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 December 2023	<u>204,792</u>	<u>-</u>	<u>11,795</u>	<u>216,587</u>
Depreciation				
At 1 January 2023	-	-	11,795	11,795
Charge for the year	-	-	-	-
On disposals	-	-	-	-
At 31 December 2023	<u>-</u>	<u>-</u>	<u>11,795</u>	<u>11,795</u>
At 31 December 2023	<u>204,792</u>	<u>-</u>	<u>-</u>	<u>204,792</u>
At 31 December 2022	<u>204,792</u>	<u>-</u>	<u>-</u>	<u>204,792</u>

5 Investments

	2023	2022
	£	£
Listed:		
Balance at 1 January 2023	8,323,385	8,977,495
Purchases	1,537,711	2,114,707
Proceeds of sales	(1,483,759)	(1,919,204)
Net movement in year	550,451	(849,613)
Balance at 31 December 2023	<u>8,927,788</u>	<u>8,323,385</u>
Cash held by investment managers for re-investment	536,057	381,788
	<u>9,463,845</u>	<u>8,705,173</u>
Cost of listed investments at 31 December 2023	<u>8,497,044</u>	<u>7,872,759</u>

6

	2023	2022
	£	£
Other debtors and prepayments	<u>35,195</u>	<u>18,095</u>

7 Creditors: amounts falling due within one year

	2023	2022
	£	£
Due to Generalate	8,000	8,000
Other creditors and accruals	8,500	8,500
	<u>16,500</u>	<u>16,500</u>

Society of the Divine Word CIO
Notes to the Accounts
for the year ended 31 December 2023

8 Designated Funds

Retirement Fund

The trustees have designated a sum equivalent to the market value of investments held through BNY Mellon in recognition of the need to provide for the retirement of the members. The unreinvested income from this fund will be received and used by the general fund.

Fixed Asset Fund:

In order to fulfil its charitable objectives the Society needs a number of properties. These properties, although they are unrestricted assets cannot be realised without undermining the Society's work, and the trustees therefore feel that it is appropriate to reflect the investment in fixed assets by means of a designated fund.

	At 1 January 2023	Incoming resources	Utilised/ realised	At 31 December 2023
	£	£	£	£
Retirement fund	1,308,699	112,194	(17,235)	1,403,658
Fixed asset fund	204,792	-	-	204,792
	<u>1,513,491</u>	<u>112,194</u>	<u>(17,235)</u>	<u>1,608,450</u>

8 Analysis of net assets between funds

	General fund	Designated funds	2023
	£	£	£
Tangible assets	-	204,792	204,792
Investments	8,060,187	1,403,658	9,463,845
Fixed assets	8,060,187	1,608,450	9,668,637
Current assets	204,781	-	204,781
Creditors: amounts falling due within one year	(16,500)	-	(16,500)
	<u>8,248,468</u>	<u>1,608,450</u>	<u>9,856,918</u>

THE SOCIETY OF THE DIVINE WORD

England & Wales - Charity number 1183256

Accounts

Society of the Divine Word CIO

Trustees' Report and Accounts

31 December 2021

Registered Charity No 1183256

**Society of the Divine Word CIO
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Society of the Divine Word CIO
Legal and Administrative Information

TRUSTEES	Rev. Eamonn Donnelly SVD (Chair) Rev. Kieran Fitzharris SVD Rev. Michael Egan SVD (Secretary) Rev. Gerhard Osthues SVD (District Bursar) Rev. Nicodemus Ratu SVD
ADDRESS	8-10 Teignmouth Road London NW2 4HN
Auditor	Borucki & Co 42 Radnor Road Harrow Middlesex HA1 1RZ
PRINCIPAL BANKERS	Allied Irish Bank plc 202-204 Finchley Road London NW2 HN
SOLICITORS	Messrs Veale Wasbrough Vizards Narrow Quay House Narrow Quay Bristol BS1 4QA
INVESTMENT MANAGERS	UBS AG 5 Broadgate London EC2M 2AN Newton Investment Management Ltd BNY Mellon Centre 160 Queen Victoria Street London EC4V 4LA

Society of the Divine Word CIO Trustees' Report

The Trustees of the charity submit their annual report and the financial statements for the year ended December 31st 2021. The trustees have adopted the provisions of the FRS 102, "Accounting and Reporting by Charities", issued in 2014, in preparing the annual report and financial statements of the charity.

Constitution and Scope

The Society of the Divine Word is an international Society of Roman Catholic priests and brothers. It was founded in Germany in 1875 and its Generalate headquarter is now in Rome. The British District of the Irish and British Province having been registered with the Charity Commission as a Charitable Incorporated Organisation No. 1183256 on 3rd May 2019. The Governing Document of the Charity is a constitution, which states that, The object of the CIO is such charitable purposes which advance the religious and other charitable work for the time being carried on by or under the direction or with the support of the Society as the Trustees with the approval of the Superior shall from time to time think fit. The accounts accompanying this report are the accounts of the CIO on which the assets of the Society in England are held following the transfer of assets from the Trust (registered charity No. 276345) on 1st January 2020.

Appointment of Trustees

The Provincial Superior appoints new or additional trustees.

Trustee Induction and Training:

New trustees undergo an orientation day to brief them on their legal obligation under charity and Charity Commission's guidance on public benefit and decision-making process and all other matters required of Trustees. Trustees are encouraged to attend appropriate seminars and trustee conferences to familiarize their role and responsibilities as trustees.

Objects and policies

The general objects of the Society of the Divine Word are religious and charitable, and particularly for the promotion of the religious and human development of the peoples of the Developing World. The Society in Britain is concerned with providing for the financial and other needs of the Society for its projects and members especially in the Developing World. It also promotes its objectives through pastoral involvement in the local Church. It provides for its members from overseas who come to Britain for study or other work. It also cares for returned missionaries who are sick or retired..

Organisation

The British District of the Society is administered from our house in London. All the members of the Society in Britain belong to this house irrespective of where they actually live. Fr Alberto Escoto SVD manages the administration of the house and deals with the many people who come to the house during the year.

Activities

The activities of the Society are focused on furthering its missionary objectives. The main activities are the following:

1. Providing for missionaries sent from overseas to study at universities in Britain.
2. Provide financial and other support to the Society's overseas missions.
3. Pastoral work in chaplaincies and parishes in partnership with the local Church.
4. Promoting vocation to the Society.
5. Caring for sick and elderly retired missionaries unable to return overseas.
6. Receiving and helping our visiting missionaries.
7. Providing the administrative infrastructure necessary for these activities.

Review of the year and Public Benefit Statement 2021

Areas of Public Benefit provided by the British District of the Society of the Divine Word in the United Kingdom during the year 2021.

London Community: During 2021 there were four members in the London House. One member is over 80 years of age and the rest of them are involved in various activities to promote religion in the Archdiocese of Westminster by helping in the pastoral ministry where needed. All members are ordained Roman Catholic Priests. Members who participate on a part time basis in the pastoral ministry of the Archdiocese do so by being present when called for in the various locations of the Archdiocese in London.

Society of the Divine Word CIO Trustees' Report

Care of the Elderly:

Our Society has an obligation, both moral and legal to provide care for its members. We aim to support members to live out their faith in all phases of life. Those identified as being unsuitable for community living in our London House due to sickness of immobility, we try to place them in appropriate accommodation.

Fr. Kevin O'Toole SVD who is in his 90s, and a former member of our house in London was moved to the Nazareth Care Home in East Finchley so as to provide him with better care and assisted living. Fr. Kevin lived and worked for many years in India, the West Indies and in parishes in the Archdiocese of Westminster. He was placed in the retirement home to improve his health and assure he has the care he needs at final years of his life. The Charity is responsible for his financial support.

St. Bridget of Sweden and Our Lady of Sorrow Parish:

In 2017, The Society of Divine Word contracted with the Archdiocese of Westminster for the pastoral responsibility of the St. Bridget of Sweden and the English Martyrs at Isleworth, Richmond. We have two members residing at the parish house there. They also serve as part time chaplains in the Middlesex Hospital.

Hospitality to Missionaries:

In our community in London we offer hospitality to our missionaries who come here on holidays, to recover from illness, doing renewal courses or attending conferences in the UK. As well as this, we often host our missionaries who may be passing through from their home countries. In 2021 because of the global pandemic this task was much diminished

Parish of St. Mary on the Quays, Bristol:

Two of our members are responsible for the pastoral catholic ministry at St. Mary on the Quays in the city of Bristol. As such they assist the Roman Catholic Diocese of Clifton in the task to promote religion in that Diocese. The Priests also minister to a large student body who attend the various universities in Bristol. The parish is noted for its outreach to young people who are living and working in the city. Our members there are from Ireland and Asia and have been able to reach out to minority and ethnic groups in the community due to their multicultural and multilingual background. During 2021 this task continued to be much reduced due to Health and Safety regulations in the Colleges in Bristol.

Overseas Missionary Support:

Charity Funds are transferred when requested by our SVD Generalate administration in Rome to specific projects in our missionary works overseas. The support in 2021 was £83,760. The trustees receive a report enabling them to be satisfied that funds are used for the purposes intended.

Reserves policy

The Charity's main source of income is derived from the investment of its financial resources and was credited monthly. The Trustees meet every two months or so and generally commit available monthly income to charitable activities and staff cost attributable to those activities. In the pandemic there have been some zoom connections to facilitate the work of the Trust. It is the policy of the trustees to maintain reserves at a sufficient level for the Society to continue its activities and to cover present and future costs of providing for its members, many of whom are now elderly.

Financial position of the Society

The Society's financial position is considered satisfactory by the trustees. The market value of the Society's freehold land and buildings is greater than the amount shown in the accounts where the value is stated at historic costs.

Investment Policy and Objectives:

The trustees have agreed that the investment portfolios of the Charity should be managed on a discretionary basis by UBS Wealth Management and by Newton Investment Management Limited. The objective is for capital and income growth which over the long term will endeavour to maintain the real value of the assets. The trustees have an ethical policy that is in accord with Charity Commission guidelines. They exclude investments in armaments, gambling, tobacco, suppressive regimes and others that are not suitable for the Charity. The investment objective is to be achieved by investment in a balanced portfolio comprised of equities, fixed interest and cash with a medium risk profile.

In order to monitor progress, both investment houses provide quarterly capital performance reports. These reports will include the movement of the FT All Share Index over the same periods. The trustees will periodically consider whether there is a need to revise the Investment Policy Statement and if so, will immediately advise both its investment houses.

Society of the Divine Word CIO Trustees' Report

Principle Risks and Risk Management:

The trustees have assessed the principle financial risk facing the charity to be: Ongoing financial pressure on income from donations, bequests and charitable activities due to ongoing recessionary environment.

The steps taken to reduce these risks include:

- * Use of personal communications strategy with existing donors and benefactors and creation of awareness of the activities of our missionary works generally.
- * Strengthening of financial controls and internal procedures, increased financial reporting and ongoing monitoring of results compared to budgets during the year and also reducing expenses wherever possible.
- * Due to change in the financial investment industry and decline in fixed deposits interest rates, we changed our investment strategy. We decided to invest our funds into investment funds for higher returns with constant monitoring of our funds and regular meetings with fund managers to ensure that our funds are safe and giving adequate returns each year to bridge the gap between expenses over income.
- * The trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity and are satisfied that systems are in place to mitigate our exposure to major risks.

TRUSTEES' RESPONSIBILITIES WITH REGARD TO THE ACCOUNTS

Under charity law, the trustees are responsible for preparing the Trustees' Annual Report and the financial statements for each financial year which show a true and fair view of the state of affairs of the charity and of the excess of income over expenditure for that period.

In preparing these financial statements, generally accepted accounting practice entails the trustees:

- * select suitable accounting policies and then apply them consistently;
- * make judgements and estimates that are reasonable and prudent;
- * state whether the recommendations of the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- * state whether the statements comply with the trust deed, subject to any material departures disclosed and explained in the financial statements;
- * prepare financial statements on the going concern basis unless it is inappropriate to presume the charity will continue its activities.

The trustees are required to act in accordance with the trust deed of the charity, within the framework of trust law. They are responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the trustees to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

The Future:

In spite of the aging profile of our members and continuing pressures on financial resources, we nevertheless intend to maintain the level of work and public benefit services that we have been providing. The main focus in 2020 and beyond will be on maintaining tight control over financial resources and ensuring the best use of these resources through obtaining overall cost savings and efficiencies in the way we conduct our operations.

It is clear that the effects of the virus pandemic and world events will continue to affect income in 2022 as it is expected that the investment income will reduce however the Trustees do not envisage that any deficit that may arise will seriously reduce the reserves or cause any going concern problems.

Signed on behalf of the Trustees

Eamonn Donnelly SVD
Trustee

Approved by the Trustees on 5th May 2022

Society of the Divine Word CIO Auditors' Report

Independent auditors' report to the Trustees of the Society of the Divine Word CIO

We have audited the financial statements of the Society of the Divine Word for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, Statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice)..

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 of its incomes and expenditure for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:-

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Society of the Divine Word CIO
Auditors' Report

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 5, the Trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts. A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Borucki & Co
Chartered Accountants and Statutory Auditors
42 Radnor Road
Harrow
Middlesex HA1 1RZ

Signed on 7 July 2022

Borucki & Co is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

Society of the Divine Word CIO
Statement of Financial Activities
for the year ended 31 December 2021

	Notes	General Funds	Designated Funds	Total Funds	Total Funds	General Funds	Designated Funds
		2021	2021	2021	2020	2020	2020
		£	£	£	£	£	£
Income							
Voluntary income:							
Donations		5,830	-	5,830	7,366	7,366	-
Legacies		30,100	-	30,100	-	-	-
Salaries and pensions		7,268	-	7,268	41,367	41,367	-
Collections and mass stipends		6,200	-	6,200	6,098	6,098	-
Room and board		7,150	-	7,150	7,500	7,500	-
Investment income		208,589	28,137	236,726	186,921	161,331	25,590
Other income		-	-	-	300	300	-
Total incoming resources		265,137	28,137	293,274	249,552	223,962	25,590
Expenditure							
Cost of generating funds:							
Investment management fees		51,447	-	51,447	45,673	45,673	-
Charitable activities:							
Pastoral activities							
Upkeep of communities							
Board and lodging		43,945	-	43,945	39,150	39,150	-
Property maintenance		23,057	-	23,057	3,381	3,381	-
Community expenses		89,401	-	89,401	85,240	85,240	-
Administration and governance costs		12,479	-	12,479	10,868	10,868	-
Support of Missions		83,760	-	83,760	-	-	-
		252,642	-	252,642	138,639	138,639	-
Total expenditure		304,089	-	304,089	184,312	184,312	-
Net gains (losses) on investments		945,693	158,731	1,104,424	64,044	(4,668)	68,712
Transfers between funds		14,949	(14,949)	-	-	13,752	(13,752)
Net movement in funds		921,690	171,919	1,093,609	129,284	48,734	80,550
Balances brought forward at 1 January 2021		7,414,537	1,464,935	8,879,472	-	-	-
Transferred from The Society of the Divine Word charity no.276345		-	-	-	8,750,188	7,365,803	1,384,385
Balances carried forward at 31 December 2021		8,336,227	1,636,854	9,973,081	8,879,472	7,414,537	1,464,935

None of the charity's activities were acquired or permanently discontinued

The charity has no recognised gains and losses other than those shown above and therefore no separate statement of total recognised gains and losses has been presented

Society of the Divine Word CIO
Balance Sheet
as at 31 December 2021

	Notes	2021 £	2020 £
Fixed assets			
Tangible assets	4	204,792	204,792
Investments	5	<u>9,364,773</u>	<u>8,328,354</u>
		9,569,565	8,533,146
Current assets			
Debtors	6	-	-
Cash at bank and in hand		<u>419,016</u>	<u>365,826</u>
		419,016	365,826
Creditors: amounts falling due within one year			
	7	(15,500)	(19,500)
Net current assets		<u>403,516</u>	<u>346,326</u>
Total assets less current liabilities		<u>9,973,081</u>	<u>8,879,472</u>
Funds			
Designated	8	1,636,854	1,464,935
General		<u>8,336,227</u>	<u>7,414,537</u>
		<u>9,973,081</u>	<u>8,879,472</u>

Eamonn Donnelly SVD

Trustee

Approved by the Trustees on 5th May 2022

Society of the Divine Word CIO
Statement of cash flows
for the year ended 31 December 2021

	Note	2021 £	2020 £
Cash used in operating activities	A	<u>(251,541)</u>	<u>399,093</u>
Cash flows from investing activities			
Investment income		236,726	186,921
Proceeds of investment sales		3,050,886	3,564,321
Purchases of investments		<u>(2,779,462)</u>	<u>(3,600,650)</u>
Cash provided (used) in investing activities		<u>508,150</u>	<u>150,592</u>
Decrease in cash and cash equivalents in year		<u>256,609</u>	<u>549,685</u>
Movement in year			
(Decrease) increase in cash at bank and in hand		53,190	365,826
(Decrease) increase in cash held by investment managers and deposits		<u>203,419</u>	<u>183,859</u>
		<u>256,609</u>	<u>549,685</u>

- -

A. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net movement in funds	1,093,609	129,284
Deduct investment income	(236,726)	(186,921)
Add/(deduct) net movement on investments.	(1,104,424)	(64,044)
Value of net current assets transferred to CIO	-	501,274
Increase (decrease) in creditors	(4,000)	19,500
(Increase) decrease in debtors	-	-
	<u>(251,541)</u>	<u>399,093</u>

Society of the Divine Word CIO
Notes to the Accounts
for the year ended 31 December 2021

1 Accounting policies

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. Donations, are recognised when the Trust has been notified in writing of both the amount and settlement date. Legacies are recognised on a case by case basis following the granting of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield in the investment portfolio.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

The cost of generating funds includes the fees paid to investment managers in respect of the management of the charity's investment portfolios.

Expenditure on charitable activities comprises direct expenses incurred on the defined charitable purposes of the charity and includes staff costs attributable to the activity.

The contribution to the Generalate is calculated annually and represents the excess of the budgeted net expenditure for the year over the free reserve at the end of the previous year, as adjusted for the purchase or sale of land and buildings.

Governance costs comprise of expenditure on compliance with and advice on constitutional and statutory matters.

As all expenditure can be attributed to specific categories no apportionment between heading has been necessary. Irrecoverable VAT is included in the items of expenditure to which it relates.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Society of the Divine Word CIO
Notes to the Accounts
for the year ended 31 December 2021

Tangible fixed assets

Freehold land and buildings, in the main used as private residential accommodation, are included at a valuation based either on a value estimated by the trustees or on historical cost. The Trustees do not consider that the expense of a professional valuation in order to ascertain the separate values of the land and buildings is justified.

The buildings are in constant use in furtherance of the charitable objectives and are maintained to standards that ensure that their residual value is not less than the book value. Buildings are not depreciated, for reason stated, they have a very long useful economic life such that annual depreciation would be immaterial.

Depreciation is provided on other tangible fixed assets costing more than £1,000, other than freehold land and buildings, at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, as follows:

Fixtures and equipment	20% p.a. straight line
Motor Vehicles	25% p.a. straight line

After five years fixtures and equipment are written out of the accounts as in the opinion of the trustees they have no residual value.

Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

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

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

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year.

Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Fund accounting

The general fund comprises those monies, which may be used towards meeting the charitable objectives of the charity at the discretion of the Trustees.

The designated funds are monies set aside out of general funds and designated for specific purposes by the Trustees.

The restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor imposed conditions.

Taxation

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

2 Expenditure	2021	2020
	£	£
Included in expenditure are:		
Staff costs	12,664	13,063
Auditors remuneration	5,900	-
Accountancy and Independent Examiner's fees	3,226	6,250
The average number of employees, analysed by function was:		
Domestic	<u>1</u>	<u>1</u>

Society of the Divine Word CIO
Notes to the Accounts
for the year ended 31 December 2021

3 Transactions with Trustees

As members of the Society, the Trustees' living expenses during the year were borne by the Trust but the Trustees received no remuneration or other benefits in connection with their duties as Trustees during the year or in the previous year.

4 Tangible fixed assets

	Land, buildings and contents	Fixtures and equipment	Motor vehicles	Total
At 1 January 2021	204,792	-	11,795	216,587
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 December 2021	<u>204,792</u>	<u>-</u>	<u>11,795</u>	<u>216,587</u>
Depreciation				
At 1 January 2021	-	-	11,795	11,795
Charge for the year	-	-	-	-
On disposals	-	-	-	-
At 31 December 2021	<u>-</u>	<u>-</u>	<u>11,795</u>	<u>11,795</u>
At 31 December 2021	<u>204,792</u>	<u>-</u>	<u>-</u>	<u>204,792</u>
At 31 December 2020	<u>204,792</u>	<u>-</u>	<u>-</u>	<u>204,792</u>

5 Investments

	2021	2020
	£	£
Listed:		
Balance at 1 January 2021	8,144,495	-
Purchases	2,779,462	3,600,650
Proceeds of sales	(3,050,886)	(3,564,321)
Net movement in year	1,104,424	64,044
Transferred from The Society of the Divine Word	-	8,044,122
Balance at 31 December 2021	<u>8,977,495</u>	<u>8,144,495</u>
Cash held by investment managers for re-investment	<u>387,278</u>	<u>183,859</u>
	<u>9,364,773</u>	<u>8,328,354</u>
Cost of listed investments at 31 December 2021	<u>7,597,368</u>	<u>7,402,584</u>

6 Debtors

	2021	2020
	£	£
Other debtors and prepayments	<u>-</u>	<u>-</u>

7 Creditors: amounts falling due within one year

	2021	2020
	£	£
Due to Generalate	8,000	12,000
Other creditors and accruals	<u>7,500</u>	<u>7,500</u>
	<u>15,500</u>	<u>19,500</u>

Society of the Divine Word CIO
Notes to the Accounts
for the year ended 31 December 2021

8 Designated Funds

Retirement Fund

The trustees have designated a sum equivalent to the market value of investments held through BNY Mellon in recognition of the need to provide for the retirement of the members. The unreinvested income from this fund will be received and used by the general fund.

Fixed Asset Fund:

In order to fulfil its charitable objectives the Society needs a number of properties. These properties, although they are unrestricted assets cannot be realised without undermining the Society's work, and the trustees therefore feel that it is appropriate to reflect the investment in fixed assets by means of a designated fund.

	Transferred from Trust	Incoming resources	Utilised/ realised	At 31 December 2021
	£	£	£	£
Retirement fund	1,260,143	186,868	(14,949)	1,432,062
Fixed asset fund	204,792	-	-	204,792
	<u>1,464,935</u>	<u>186,868</u>	<u>(14,949)</u>	<u>1,636,854</u>

8 Analysis of net assets between funds

	General fund	Designated funds	2021
	£	£	£
Tangible assets	-	204,792	204,792
Investments	7,932,711	1,432,062	9,364,773
Fixed assets	7,932,711	1,636,854	9,569,565
Current assets	419,016	-	419,016
Creditors: amounts falling due within one year	(15,500)	-	(15,500)
	<u>8,336,227</u>	<u>1,636,854</u>	<u>9,973,081</u>

THE SOCIETY OF THE DIVINE WORD

England & Wales - Charity number 1183256

Accounts

Society of the Divine Word CIO

Trustees' Report and Accounts

31 December 2020

Registered Charity No 1183256

**Society of the Divine Word CIO
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Society of the Divine Word CIO
Legal and Administrative Information

TRUSTEES Rev. Eamonn Donnelly SVD (Chair)
Rev. Kieran Fitzharris SVD
Rev. Michael Egan SVD
Rev. Gerhard Osthues SVD (District Bursar)
Rev. Nicodemus Ratu SVD

ADDRESS 8-10 Teignmouth Road
London NW2 4HN

Independent examiner J I Borucki FCA
Borucki & Co
42 Radnor Road
Harrow
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HA1 1RZ

PRINCIPAL BANKERS Allied Irish Bank plc
202-204 Finchley Road
London NW2 HN

SOLICITORS Messrs Veale Wasbrough Vizards
Narrow Quay House
Narrow Quay
Bristol BS1 4QA

INVESTMENT MANAGERS UBS AG
5 Broadgate
London EC2M 2AN

Newton Investment Management Ltd
BNY Mellon Centre
160 Queen Victoria Street
London EC4V 4LA

Society of the Divine Word CIO Trustees' Report

The Trustees submit their annual report and the financial statements for the year ended 31st December 2020. The trustees have adopted the provisions of the FRS 102, "Accounting and Reporting by Charities", issued in 2014, in preparing the annual report and financial statements of the charity.

Constitution and Scope

The Society of the Divine Word is an international Society of Roman Catholic priests and brothers. It was founded in Germany in 1875 and its Generalate headquarter is now in Rome. The British District of the Irish and British Province having been registered with the Charity Commission as a Charitable Incorporated Organisation No. 1183256 on 3rd May 2019. The Governing Document of the Charity is a constitution, which states that, The object of the CIO is such charitable purposes which advance the religious and other charitable work for the time being carried on by or under the direction or with the support of the Society as the Trustees with the approval of the Superior shall from time to time think fit. The accounts accompanying this report are the accounts of the CIO on which the assets of the Society in England are held following the transfer of assets from the Trust (registered charity No. 276345) on 1st January 2020.

Appointment of Trustees

The Provincial Superior appoints new or additional trustees.

Trustee Induction and Training:

New trustees undergo an orientation day to brief them on their legal obligation under charity and Charity Commission's guidance on public benefit and decision-making process and all other matters required of Trustees. Trustees are encouraged to attend appropriate seminars and trustee conferences to familiarize their role and responsibilities as trustees.

Objects and policies

The general objects of the Society of the Divine Word are religious and charitable, and particularly for the promotion of the religious and human development of the peoples of the Developing World. The Society in Britain is concerned with providing for the financial and other needs of the Society for its projects and members especially in the Developing World. It also promotes its objectives through pastoral involvement in the local Church. It provides for its members from overseas who come to Britain for study or other work. It also cares for returned missionaries who are sick or retired..

Organisation

The British District of the Society is administered from our house in London. All the members of the Society in Britain belong to this house irrespective of where they actually live. Fr Alberto Escoto SVD manages the administration of the house and deals with the many people who come to the house during the year.

Activities

The activities of the Society are focused on furthering its missionary objectives. The main activities are the following:

1. Providing for missionaries sent from overseas to study at universities in Britain.
2. Provide financial and other support to the Society's overseas missions.
3. Pastoral work in chaplaincies and parishes in partnership with the local Church.
4. Promoting vocation to the Society.
5. Caring for sick and elderly retired missionaries unable to return overseas.
6. Receiving and helping our visiting missionaries.
7. Providing the administrative infrastructure necessary for these activities.

Review of the year and Public Benefit Statement 2020

Areas of Public Benefit provided by the British District of the Society of the Divine Word in the United Kingdom during the year 2019.

London Community: During 2020 there were four members in the London House. One member is over 80 years of age and the rest of them are involved in various activities to promote religion in the Archdiocese of Westminster by helping in the pastoral ministry where needed. All members are ordained Roman Catholic Priests. Members who participate on a part time basis in the pastoral ministry of the Archdiocese do so by being present when called for in the various locations of the Archdiocese in London. One priest of our community for part of 2020 was a full time Roman Catholic Chaplain at the Royal Free Hospital in London. He collaborated with the Lead Chaplain there in her work at the Hospital.

Society of the Divine Word CIO Trustees' Report

Care of the Elderly:

Our Society has an obligation, both moral and legal to provide care for its members. We aim to support members to live out their faith in all phases of life. Those identified as being unsuitable for community living in our London House due to sickness of immobility, we try to place them in appropriate accommodation.

Fr. Kevin O'Toole SVD who is in his 90s, and a former member of our house in London was moved to the Nazareth Care Home in East Finchley so as to provide him with better care and assisted living. Fr. Kevin lived and worked for many years in India, the West Indies and in parishes in the Archdiocese of Westminster. He was placed in the retirement home to improve his health and assure he has the care he needs at final years of his life. The Charity is responsible for his financial support.

St. Bridget of Sweden and Our Lady of Sorrow Parish:

In 2017, The Society of Divine Word contracted with the Archdiocese of Westminster for the pastoral responsibility of the St. Bridget of Sweden and the English Martyrs at Isleworth, Richmond. We have two members residing at the parish house there. They also serve as part time chaplains in the Middlesex Hospital.

Hospitality to Missionaries:

In our community in London we offer hospitality to our missionaries who come here on holidays, to recover from illness, doing renewal courses or attending conferences in the UK. As well as this, we often host our missionaries who may be passing through from their home countries. In 2020 because of the global pandemic this task was much diminished

Parish of St. Mary on the Quays, Bristol:

Two of our members are responsible for the pastoral catholic ministry at St. Mary on the Quays in the city of Bristol. As such they assist the Roman Catholic Diocese of Clifton in the task to promote religion in that Diocese. The Priests also minister to a large student body who attend the various universities in Bristol. The parish is noted for its outreach to young people who are living and working in the city. Our members there are from Ireland and Asia and have been able to reach out to minority and ethnic groups in the community due to their multicultural and multilingual background. During the pandemic in 2020 this task was much reduced due to Health and Safety regulations in the Colleges in Bristol.

Overseas Missionary Support:

Charity Funds are transferred when requested by our SVD Generalate administration in Rome to specific projects in our missionary works overseas. The trustees receive a report enabling them to be satisfied that funds are used for the purposes intended.

Reserves policy

The Charity's main source of income is derived from the investment of its financial resources and was credited monthly. The Trustees meet every two months or so and generally commit available monthly income to charitable activities and staff cost attributable to those activities. In the pandemic there have been some zoom connections to facilitate the work of the Trust. It is the policy of the trustees to maintain reserves at a sufficient level for the Society to continue its activities and to cover present and future costs of providing for its members, many of whom are now elderly.

Financial position of the Society

The Society's financial position is considered satisfactory by the trustees. The market value of the Society's freehold land and buildings is greater than the amount shown in the accounts where the value is stated at historic costs.

Investment Policy and Objectives:

The trustees have agreed that the investment portfolios of the Charity should be managed on a discretionary basis by UBS Wealth Management and by Newton Investment Management Limited. The objective is for capital and income growth which over the long term will endeavour to maintain the real value of the assets. The trustees have an ethical policy that is in accord with Charity Commission guidelines. They exclude investments in armaments, gambling, tobacco, suppressive regimes and others that are not suitable for the Charity. The investment objective is to be achieved by investment in a balanced portfolio comprised of equities, fixed interest and cash with a medium risk profile.

In order to monitor progress, both investment houses will provide quarterly capital performance reports. These reports will include the movement of the FT All Share Index over the same periods. The trustees will periodically consider whether there is a need to revise the Investment Policy Statement and if so, will immediately advise both its investment houses.

Society of the Divine Word CIO Trustees' Report

Principle Risks and Risk Management:

The trustees have assessed the principle financial risk facing the charity to be:

Ongoing financial pressure on income from donations, bequests and charitable activities due to ongoing recessionary environment and the Covid pandemic.

The steps taken to reduce these risks include:

- * Use of personal communications strategy with existing donors and benefactors and creation of awareness of the activities of our missionary works generally.
- * Strengthening of financial controls and internal procedures, increased financial reporting and ongoing monitoring of results compared to budgets during the year and also reducing expenses wherever possible.
- * Due to change in the financial investment industry and decline in fixed deposits interest rates, we changed our investment strategy. We decided to invest our funds into investment funds for higher returns with constant monitoring of our funds and regular meetings with fund managers to ensure that our funds are safe and giving adequate returns each year to bridge the gap between expenses over income.
- * The trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity and are satisfied that systems are in place to mitigate our exposure to major risks.

TRUSTEES' RESPONSIBILITIES WITH REGARD TO THE ACCOUNTS

Under charity law, the trustees are responsible for preparing the Trustees' Annual Report and the financial statements for each financial year which show a true and fair view of the state of affairs of the charity and of the excess of income over expenditure for that period.

In preparing these financial statements, generally accepted accounting practice entails the trustees:

- * select suitable accounting policies and then apply them consistently;
- * make judgements and estimates that are reasonable and prudent;
- * state whether the recommendations of the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- * state whether the statements comply with the trust deed, subject to any material departures disclosed and explained in the financial statements;
- * prepare financial statements on the going concern basis unless it is inappropriate to presume the charity will continue its activities.

The trustees are required to act in accordance with the trust deed of the charity, within the framework of trust law. They are responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the trustees to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

The Future:

In spite of the aging profile of our members and continuing pressures on financial resources, we nevertheless intend to maintain the level of work and public benefit services that we have been providing. The main focus in 2020 and beyond will be on maintaining tight control over financial resources and ensuring the best use of these resources through obtaining overall cost savings and efficiencies in the way we conduct our operations.

It is clear that the effects of the virus pandemic will affect the CIO's income in 2021 as it is expected that the investment income will reduce however the Trustees do not envisage that any deficit that may arise will seriously reduce the reserves or cause any going concern problems.

Signed on behalf of the Trustees

Eamonn Donnelly SVD
Trustee

Approved by the Trustees on 5th September 2021

Society of the Divine Word

Independent Examiner's Report to the Trustees of the Society of the Divine Word

I report on the accounts of the Society of the Divine Word for the year ended 31 December 2020 which comprise the Statement of Financial Activities, Statement of Cash Flows, Balance Sheet and the related notes.

This report is made solely to the charity's trustees, as a body, in accordance with Section 145(3) of the Charities Act 2011. My examination has been undertaken so that I might state to the charity's trustees those matters we are required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my examination, for this report, or for the opinions I have formed.

Respective responsibilities of trustees and auditors

The charity's trustees you are responsible for the preparation of the accounts. The charity's trustees consider an audit is not required this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the General Directions given by the Charity Commissioners under section 145(5)(b) of the 2011 Act, and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 130 of the 2011 Act; and
- to prepare accounts which accord with the accounting records and comply with the

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Signed on 6 September 2021

Society of the Divine Word CIO
Statement of Financial Activities
for the year ended 31 December 2020

	General Funds	Designated Funds	Total Funds	Total Funds	General Funds	Designated Funds
Notes	2020	2020	2020	2019	2019	2019
	£	£	£	£	£	£
Income						
Voluntary income:						
Donations	7,366	-	7,366	-	-	-
Legacies	-	-	-	-	-	-
Salaries and pensions	41,367	-	41,367	-	-	-
Collections and mass stipends	6,098	-	6,098	-	-	-
Room and board	7,500	-	7,500	-	-	-
Investment income	161,331	25,590	186,921	-	-	-
Other income	300	-	300	-	-	-
Total incoming resources	223,962	25,590	249,552	-	-	-
Expenditure						
Cost of generating funds:						
Investment management fees	45,673	-	45,673	-	-	-
Charitable activities:						
Pastoral activities						
Upkeep of communities						
Board and lodging	39,150	-	39,150	-	-	-
Property maintenance	3,381	-	3,381	-	-	-
Community expenses	85,240	-	85,240	-	-	-
Administration and governance costs	10,868	-	10,868	-	-	-
Support of Missions	-	-	-	-	-	-
	138,639	-	138,639	-	-	-
Total expenditure	184,312	-	184,312	-	-	-
Net gains (losses) on investments	(4,668)	68,712	64,044	-	-	-
Transfers between funds	13,752	(13,752)	-	-	-	-
Net movement in funds	48,734	80,550	129,284	-	-	-
Balances brought forward at 1 January 2020	-	-	-	-	-	-
Transferred from The Society of the Divine Word charity no.276345	7,365,803	1,384,385	8,750,188	-	-	-
Balances carried forward at 31 December 2020	7,414,537	1,464,935	8,879,472	-	-	-

None of the charity's activities were acquired or permanently discontinued

The charity has no recognised gains and losses other than those shown above and therefore no separate statement of total recognised gains and losses has been presented

Society of the Divine Word CIO
Balance Sheet
as at 31 December 2020

	Notes	2020 £	2019 £
Fixed assets			
Tangible assets	4	204,792	-
Investments	5	<u>8,328,354</u>	<u>-</u>
		8,533,146	-
Current assets			
Debtors	7	-	-
Cash at bank and in hand		<u>365,826</u>	<u>-</u>
		365,826	-
Creditors: amounts falling due within one year			
	6	(19,500)	-
		<u>346,326</u>	<u>-</u>
Net current assets			
		346,326	-
Total assets less current liabilities			
		<u>8,879,472</u>	<u>-</u>
Funds			
Designated	7	1,464,935	-
General		<u>7,414,537</u>	<u>-</u>
		8,879,472	-

Eamonn Donnelly SVD

Trustee

Approved by the Trustees on 5th September 2021

Society of the Divine Word CIO
Statement of cash flows
for the year ended 31 December 2020

	Note	2020 £	2019 £
Cash used in operating activities	A	<u>399,093</u>	<u>-</u>
Cash flows from investing activities			
Investment income		186,921	-
Proceeds of investment sales		3,564,321	-
Purchases of investments		<u>(3,600,650)</u>	<u>-</u>
Cash provided (used) in investing activities		<u>150,592</u>	<u>-</u>
Decrease in cash and cash equivalents in year		<u>549,685</u>	<u>-</u>
Movement in year			
(Decrease) increase in cash at bank and in hand		365,826	-
(Decrease) increase in cash held by investment managers and deposits		<u>183,859</u>	<u>-</u>
		<u>549,685</u>	<u>-</u>
		-	-

A. Reconciliation of net movement in funds to net cash flow from operating activities

	2020 £	2019 £
Net movement in funds	129,284	-
Deduct investment income	(186,921)	-
Add depreciation	-	-
Add/(deduct) net movement on investments.	(64,044)	-
Value of net current assets transferred to CIO	501,274	-
Increase (decrease) in creditors	19,500	-
(Increase) decrease in debtors	-	-
	<u>399,093</u>	<u>-</u>

Society of the Divine Word CIO
Notes to the Accounts
for the year ended 31 December 2020

1 Accounting policies

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. Donations, are recognised when the Trust has been notified in writing of both the amount and settlement date. Legacies are recognised on a case by case basis following the granting of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield in the investment portfolio.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

The cost of generating funds includes the fees paid to investment managers in respect of the management of the charity's investment portfolios.

Expenditure on charitable activities comprises direct expenses incurred on the defined charitable purposes of the charity and includes staff costs attributable to the activity.

The contribution to the Generalate is calculated annually and represents the excess of the budgeted net expenditure for the year over the free reserve at the end of the previous year, as adjusted for the purchase or sale of land and buildings.

Governance costs comprise of expenditure on compliance with and advice on constitutional and statutory matters.

As all expenditure can be attributed to specific categories no apportionment between heading has been necessary. Irrecoverable VAT is included in the items of expenditure to which it relates.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Society of the Divine Word CIO
Notes to the Accounts
for the year ended 31 December 2020

Tangible fixed assets

Freehold land and buildings, in the main used as private residential accommodation, are included at a valuation based either on a value estimated by the trustees or on historical cost. The Trustees do not consider that the expense of a professional valuation in order to ascertain the separate values of the land and buildings is justified.

The buildings are in constant use in furtherance of the charitable objectives and are maintained to standards that ensure that their residual value is not less than the book value. Buildings are not depreciated, for reason stated, they have a very long useful economic life such that annual depreciation would be immaterial.

Depreciation is provided on other tangible fixed assets costing more than £1,000, other than freehold land and buildings, at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, as follows:

Fixtures and equipment	20% p.a. straight line
Motor Vehicles	25% p.a. straight line

After five years fixtures and equipment are written out of the accounts as in the opinion of the trustees they have no residual value.

Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

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

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

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year.

Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Fund accounting

The general fund comprises those monies, which may be used towards meeting the charitable objectives of the charity at the discretion of the Trustees.

The designated funds are monies set aside out of general funds and designated for specific purposes by the Trustees.

The restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor imposed conditions.

Taxation

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

2 Expenditure	2020	2020
	£	£
Included in expenditure are:		
Staff costs	13,063	
Accountancy and Independent Examiner's fees	6,250	
The average number of employees, analysed by function was:		
Domestic	<u>1</u>	<u>1</u>

Society of the Divine Word CIO
Notes to the Accounts
for the year ended 31 December 2020

3 Transactions with Trustees

As members of the Society, the Trustees' living expenses during the year were borne by the Trust but the Trustees received no remuneration or other benefits in connection with their duties as Trustees during the year or in the previous year.

4 Tangible fixed assets

	Land, buildings and contents	Fixtures and equipment	Motor vehicles	Total
At 1 January 2020	-	-	-	-
Additions	-	-	-	-
Disposals	-	-	-	-
Transferred from The Society of the Divine Word	204,792	-	11,795	216,587
At 31 December 2020	<u>204,792</u>	<u>-</u>	<u>11,795</u>	<u>216,587</u>
Depreciation				
At 1 January 2020	-	-	-	-
Charge for the year	-	-	-	-
On disposals	-	-	-	-
Transferred from The Society of the Divine Word	-	-	11,795	11,795
At 31 December 2020	<u>-</u>	<u>-</u>	<u>11,795</u>	<u>11,795</u>
At 31 December 2020	<u>204,792</u>	<u>-</u>	<u>-</u>	<u>204,792</u>
At 31 December 2019	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

5 Investments

	2020	2019
	£	£
Listed:		
Balance at 1 January 2020	-	-
Purchases	3,600,650	-
Proceeds of sales	(3,564,321)	-
Net movement in year	64,044	-
Transferred from The Society of the Divine Word	8,044,122	-
Balance at 31 December 2020	<u>8,144,495</u>	<u>-</u>
Cash held by investment managers for re-investment	183,859	-
	<u>8,328,354</u>	<u>-</u>
Cost of listed investments at 31 December 2020	<u>-</u>	<u>-</u>

7 Debtors

	2020	2019
	£	£
Other debtors and prepayments	<u>-</u>	<u>-</u>

Society of the Divine Word CIO
Notes to the Accounts
for the year ended 31 December 2020

6 Creditors: amounts falling due within one year	2020	2019
	£	£
Due to Generalate	12,000	-
Other creditors and accruals	7,500	-
	<u>19,500</u>	<u>-</u>

7 Designated Funds

Retirement Fund

The trustees have designated a sum equivalent to the market value of investments held through BNY Mellon in recognition of the need to provide for the retirement of the members. The unreinvested income from this fund will be received and used by the general fund.

Fixed Asset Fund:

In order to fulfil its charitable objectives the Society needs a number of properties. These properties, although they are unrestricted assets cannot be realised without undermining the Society's work, and the trustees therefore feel that it is appropriate to reflect the investment in fixed assets by means of a designated fund.

	Transferred from Trust	Incoming resources	Utilised/ realised	At 31 December 2019
	£	£	£	£
Retirement fund	1,179,593	94,302	(13,752)	1,260,143
Fixed asset fund	204,792	-	-	204,792
	<u>1,384,385</u>	<u>94,302</u>	<u>(13,752)</u>	<u>1,464,935</u>