

# **Society of the Divine Word CIO**

## **Trustees' Report and Accounts**

31 December 2021

Registered Charity No 1183256

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

<b>TRUSTEES</b>	Rev. Eamonn Donnelly SVD (Chair) Rev. Kieran Fitzharris SVD Rev. Michael Egan SVD (Secretary) Rev. Gerhard Osthues SVD ( District Bursar) Rev. Nicodemus Ratu SVD
<b>ADDRESS</b>	8-10 Teignmouth Road London NW2 4HN
<b>Auditor</b>	Borucki & Co 42 Radnor Road Harrow Middlesex HA1 1RZ
<b>PRINCIPAL BANKERS</b>	Allied Irish Bank plc 202-204 Finchley Road London NW2 HN
<b>SOLICITORS</b>	Messrs Veale Wasbrough Vizards Narrow Quay House Narrow Quay Bristol BS1 4QA
<b>INVESTMENT MANAGERS</b>	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](http://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 2021 £	Designated Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £	General Funds 2020 £	Designated Funds 2020 £
<b>Income</b>							
<b>Voluntary income:</b>							
Donations		5,830	-	<b>5,830</b>	7,366	7,366	-
Legacies		30,100	-	<b>30,100</b>	-	-	-
Salaries and pensions		7,268	-	<b>7,268</b>	41,367	41,367	-
Collections and mass stipends		6,200	-	<b>6,200</b>	6,098	6,098	-
Room and board		7,150	-	<b>7,150</b>	7,500	7,500	-
<b>Investment income</b>		208,589	28,137	<b>236,726</b>	186,921	161,331	25,590
<b>Other income</b>		-	-	<b>-</b>	300	300	-
<b>Total incoming resources</b>		<b>265,137</b>	<b>28,137</b>	<b>293,274</b>	<b>249,552</b>	<b>223,962</b>	<b>25,590</b>
<b>Expenditure</b>							
<b>Cost of generating funds:</b>							
Investment management fees		51,447	-	<b>51,447</b>	45,673	45,673	-
<b>Charitable activities:</b>							
<b>Pastoral activities</b>							
Upkeep of communities							
Board and lodging		43,945	-	<b>43,945</b>	39,150	39,150	-
Property maintenance		23,057	-	<b>23,057</b>	3,381	3,381	-
Community expenses		89,401	-	<b>89,401</b>	85,240	85,240	-
Administration and governance costs		12,479	-	<b>12,479</b>	10,868	10,868	-
Support of Missions		83,760	-	<b>83,760</b>	-	-	-
		<b>252,642</b>	<b>-</b>	<b>252,642</b>	<b>138,639</b>	<b>138,639</b>	<b>-</b>
<b>Total expenditure</b>		<b>304,089</b>	<b>-</b>	<b>304,089</b>	<b>184,312</b>	<b>184,312</b>	<b>-</b>
<b>Net gains (losses) on investments</b>		<b>945,693</b>	<b>158,731</b>	<b>1,104,424</b>	<b>64,044</b>	<b>(4,668)</b>	<b>68,712</b>
<b>Transfers between funds</b>		<b>14,949</b>	<b>(14,949)</b>	<b>-</b>	<b>-</b>	<b>13,752</b>	<b>(13,752)</b>
<b>Net movement in funds</b>		<b>921,690</b>	<b>171,919</b>	<b>1,093,609</b>	<b>129,284</b>	<b>48,734</b>	<b>80,550</b>
<b>Balances brought forward at 1 January 2021</b>		<b>7,414,537</b>	<b>1,464,935</b>	<b>8,879,472</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transferred from The Society of the Divine Word charity no.276345</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>8,750,188</b>	<b>7,365,803</b>	<b>1,384,385</b>
<b>Balances carried forward at 31 December 2021</b>		<b>8,336,227</b>	<b>1,636,854</b>	<b>9,973,081</b>	<b>8,879,472</b>	<b>7,414,537</b>	<b>1,464,935</b>

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 £
<b>Fixed assets</b>			
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
<b>Current assets</b>			
Debtors	6	-	-
Cash at bank and in hand		<u>419,016</u>	<u>365,826</u>
		419,016	365,826
<b>Creditors: amounts falling due within one year</b>	7	(15,500)	(19,500)
<b>Net current assets</b>		<u>403,516</u>	<u>346,326</u>
<b>Total assets less current liabilities</b>		<u>9,973,081</u>	<u>8,879,472</u>
<b>Funds</b>			
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>
<b>Movement in year</b>			
(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.

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

	<b>Land, buildings and contents</b>	<b>Fixtures and equipment</b>	<b>Motor vehicles</b>	<b>Total</b>
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>
<b>Depreciation</b>				
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**

	<b>2021 £</b>	<b>2020 £</b>
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**

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

**7 Creditors: amounts falling due within one year**

	<b>2021 £</b>	<b>2020 £</b>
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 uninvested 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>