

Society of the Divine Word CIO

Trustees' Report and Accounts

31 December 2023

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. Gerhard Osthues SVD (District Bursar)
	Rev. Nicodemus Ratu SVD
	Rev. Sanjeeb Xaxa SVD
ADDRESS	8-10 Teignmouth Road London NW2 4HN
Auditor	Borucki & Co 42 Radnor Road Harrow Middlesex HA1 1RZ
PRINCIPAL BANKERS	Metro Bank One Southampton Row London WC1B 5HA
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 hospitality 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. ^[1]_[SEP]
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. ^[1]_[SEP] 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 multilingual 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

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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
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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	204,792	-	11,795	216,587
Depreciation				
At 1 January 2023	-	-	11,795	11,795
Charge for the year	-	-	-	-
On disposals	-	-	-	-
At 31 December 2023	-	-	11,795	11,795
At 31 December 2023	204,792	-	-	204,792
At 31 December 2022	204,792	-	-	204,792

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	8,927,788	8,323,385
Cash held by investment managers for re-investment	536,057	381,788
	9,463,845	8,705,173
Cost of listed investments at 31 December 2023	8,497,044	7,872,759

6	2023 £	2022 £
Other debtors and prepayments	35,195	18,095

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
	16,500	16,500

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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.

	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>