

**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**

<b>Trustees</b>	Rev. Eamonn Donnelly SVD	(Chair)
	Rev. Gerhard Osthune SVD	(District Bursar)
	Rev. Nicodemus Ratu SVD	
	Rev. Sanjeeb Xaxa SVD	
	Rev. Kieran Anthony Fitzharris SVD	
<b>Registered Office</b>	8 - 10 Teignmouth Road London England NW2 4HN	
<b>Auditor</b>	AAB Group Accountants Limited 1 - 3 Arthur Street Belfast Northern Ireland BT1 4GA	
<b>Bankers</b>	Metro Bank One Southampton Row London WC1B 5HA	
<b>Solicitors</b>	Messrs Veale Wasborough Visards 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	

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

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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**  
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**Report of the Trustees**

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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.

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**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 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.

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

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**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**

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**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**

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**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

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**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**

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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**

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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.

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**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**

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**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 £
<b>Income and endowments from:</b>					
Donations		14,234	-	<b>14,234</b>	14,614
Legacies		-	-	-	36,724
Salaries and pension		14,563	-	<b>14,563</b>	5,013
Collections and mass stipends		17,268	-	<b>17,268</b>	9,527
Room and board		9,885	-	<b>9,885</b>	6,550
Investment income	8	233,901	17,748	<b>251,649</b>	288,680
Interest Income		32,033	-	<b>32,033</b>	-
<b>Total Income and endowments</b>		<b>321,884</b>	<b>17,748</b>	<b>339,632</b>	361,108
<b>Expenditure on:</b>					
<b>Cost of generating funds:</b>					
Investment management fees		(59,086)	-	<b>(59,086)</b>	(54,551)
<b>Charitable Activities:</b>					
Charitable Activities	3	(209,008)	-	<b>(209,008)</b>	(184,734)
<b>Total Expenditure</b>		<b>(268,094)</b>	-	<b>(268,094)</b>	(239,285)
Net gain (loss) on investments		626,754	90,509	717,263	550,451
<b>Net income / (expenditure) for the year before transfers</b>		<b>680,544</b>	<b>108,257</b>	<b>788,801</b>	672,274
Transfers between funds		-	-	-	-
<b>Net movement in funds</b>		<b>680,544</b>	<b>108,257</b>	<b>788,801</b>	672,274
<b>Reconciliation of funds:</b>					
Total funds brought forward		8,248,468	1,608,450	9,856,918	9,184,644
<b>Total Funds Carried Forward</b>	11	<b>8,929,012</b>	<b>1,716,707</b>	<b>10,645,719</b>	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 £
<b>Fixed Assets</b>			
Tangible assets	7	204,792	204,792
Investments	8	<u>9,592,790</u>	<u>8,927,788</u>
		<b>9,797,582</b>	<b>9,132,580</b>
<b>Current Assets</b>			
Debtors	9	-	35,195
Cash at bank and in hand	8	<u>863,787</u>	<u>705,643</u>
		<b>863,787</b>	<b>740,838</b>
<b>Creditors:</b> amounts falling due within one year	10	<b>(15,650)</b>	<b>(16,500)</b>
<b>NET CURRENT ASSETS</b>		<b>848,137</b>	<b>724,338</b>
<b>NET ASSETS</b>		<u><b>10,645,719</b></u>	<u><b>9,856,918</b></u>
Represented by:			
<b>General Funds</b>	11	<b>8,929,012</b>	<b>8,248,468</b>
<b>Designated Funds</b>	11	<b>1,716,707</b>	<b>1,608,450</b>
		<u><b>10,645,719</b></u>	<u><b>9,856,918</b></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 £
<b><i>Cash used in operating activities</i></b>	<b>14</b>	(174,541)	(183,957)
<b><i>Cash flows from investing activities</i></b>			
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)
<b><i>Net cash flow from investing activities</i></b>		<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
<b><i>Cash and cash equivalents at end of period</i></b>		<u><b>863,787</b></u>	<u><b>705,643</b></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

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## **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

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**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:

<b>Asset Category:</b>	<b>Annual Rate</b>
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**  
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as at 31 December 2024

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**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:

	<b>2024</b>	2023
	<b>£</b>	£
Auditors Remuneration	<b>7,650</b>	6,000
	<b>7,650</b>	6,000

**3 Analysis of expenditure on charitable activities:**

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

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

**4 Analysis of direct costs:**

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

**5 Analysis of governance costs**

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

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**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):

	<b>2024 Number</b>	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**

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

**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 investments	As at 31 December 2024
<b>Unrestricted funds</b>		£	£	£	£
General funds - all funds	8,248,468	321,884	( 268,094)	626,754	<u>8,929,012</u>
<b>Restricted funds</b>					
Restricted funds - all funds	1,608,450	17,748	-	90,509	<u>1,716,707</u>
<b>Total</b>	<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
		£	£	£	£	£
<b>Unrestricted funds</b>						
General funds - all funds	7,671,153	327,944	( 239,285)	471,421	17,235	<b>8,248,468</b>
<b>Restricted funds</b>						
Restricted funds - all funds	1,513,491	33,164	-	79,030	( 17,235)	<b>1,608,450</b>
<b>Total</b>	<b>9,184,644</b>	<b>361,108</b>	<b>( 239,285)</b>	<b>550,451</b>	<b>-</b>	<b>9,856,918</b>

**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	(15,650)	-	(15,650)	(16,500)
	<b>8,929,012</b>	<b>1,716,707</b>	<b>10,645,719</b>	<b>9,856,918</b>

**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	<b>(174,541)</b>	<b>(183,957)</b>

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.