

Registered number: 03616935
Charity number: 1073051

The Verification Research Training and Information Centre (VERTIC)
(A company limited by guarantee)

Trustees' report and financial statements

For the year ended 31 October 2022



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**Reference and administrative details of the charity, its trustees and advisers
For the year ended 31 October 2022**

Trustees

Prof Owen J Greene, Chair
Mr Peter Alvey, Treasurer (resigned May 2022)
Ms Laura Rockwood, Treasurer (appointed May 2022)
Ms Lisa Tabassi
Mr Nicholas Sims
Mr Richard Burge
Dr John Walker

**Company registered
Number**

03616935

**Charity registered
Number**

1073051

Registered office

The Green House
244-254 Cambridge Heath Road
London
E2 9DA

Chief Executive Officer

Mr Larry MacFaul, Acting

Independent auditors

Goldwins
Chartered Accountants
75 Maygrove Road
West Hampstead
London
NW6 2EG

Bankers

NatWest
PO Box 411
34 Henrietta Street
London
WC2E 8NN

Solicitors

Bircham Dyson Bell
50 Broadway
London
SW1H

Trustees' Report

The Trustees, who are also directors of the charity for the purposes of the Companies Act, present their annual report and audited accounts for the year ended 31 October 2022, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The Trustees confirm that the annual report and financial statements of the company comply with current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in January 2015.

Since the charity qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not needed.

Objectives and Activities

Aims and objectives

Our vision is a world where the rule of law is respected. We want commitments undertaken by States to be verified and monitored effectively and transparently so that others know that governments are doing what they promised to do. We want these commitments implemented in national law, giving domestic effect to international undertakings. We want to increase understanding about what these commitments require, to ensure that they are complied with in a fair and equitable way, and to strengthen mechanisms so that concerns about compliance can be resolved.

Our mission is to support the development, implementation and effectiveness of international agreements and related regional and national initiatives, with particular attention to issues of monitoring, review, legislation and verification.

VERTIC's objects are defined in Article 4 of the Articles of Association as follows:

Conducting research and training and obtaining information on verification, monitoring and implementation of international and intra-national agreements, arrangements and related issues; and publishing such information both indirectly through the media channels and directly through its own publications.

In support of these objects, our work:

- assists interested States in national implementation of treaties and related legal instruments; and
- identifies and develops verification and monitoring solutions to enable States to work together confidently and cooperatively; and
- researches the components of compliance, and analyses and enhances the role of compliance processes.

Strategy for achieving objectives

VERTIC's current strategic plan runs from January 2019 to June 2022, and was extended until completion of the new strategic review, which is ongoing. The plan was monitored, and reflected on, throughout the reporting period. Our strategic priorities, which are reflected in the way we divide our work among Programmes, are as follows:

National implementation:

1. Maintain the organisation's traditional focus on the non-proliferation of CBRN weapons, security of materials, and emergency preparedness and response, and waste management.
2. Continue to expand the focus of the programme into the implementation of internationally agreed strategic trade controls, counter-terrorism, public health, animal health, plant health and food security.

Verification and Monitoring:

1. Maintain the organisation's traditional focus on nuclear arms controls and disarmament agreements, with a view to strengthening existing or proposed verification and monitoring mechanisms,
2. Continue to advocate the use of science diplomacy to solve verification hurdles, and work towards establishing national capacity.
3. Continue to expand the focus of the programme into other areas including other classes of weapons of mass destruction, conventional forces and new and emerging technologies.

Compliance Mechanisms and Measures:

1. Maintain our work to enforce the United Nations Security Council sanctions regime when adopted under Chapter VII of the United Nations Charter, particularly in relation to maritime sanctions.
2. Conceptually strengthen our work on compliance, taking into account the United Nations Secretary General's Agenda for Disarmament, published on 24 May 2018, and subsequent remarks.

Cross-cutting priorities include diversifying and strengthening our funding base as well as further developing and implementing a training and education programme, drawing on all of our programmes.

Main activities undertaken to further the charity's purposes for the public benefit

Throughout the year, VERTIC's activities were aligned with its Strategic Plan including:

1. To obtain information and conduct research on verification regimes deemed of interest including through a continued series of free and publicly available publications;
2. To offer training on verification regimes through a continued series of training and assistance workshops with selected partner countries and our internship programme;
3. To advance verification regimes through supporting governments and relevant organisations in their efforts to make those regimes binding on individual states. We will do so by offering ratification support to governments, as well as holding events on selected verification regimes.
4. To assist governments in translating commitments undertaken in international law into national laws and regulations through the development of specific tools and a series of technical assistance activities designed to determine, review and strengthen domestic laws and regulations, in close cooperation with governments and intergovernmental organisations; and
5. To impartially analyse and inform cases where verification systems uncover (or may fail to uncover) possible violations of international law, with a specific focus on UN sanctions.

Public benefit

The trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to give due regard to the public benefit guidance published by the Charity Commission in deciding the work undertaken by the charity and are satisfied that VERTIC's work continues to meet this criterion.

The charity's work to promote and strengthen the ability to determine whether states are keeping to their commitments under international law, to support the rule of law and to enhance state accountability is for the advancement of conflict resolution and/or the protection of the environment and falls within the definition of public benefit contained in sections 3(1)(h) and 3(1)(i) of the Charities Act 2011.

Achievements and performance

Key financial performance indicators

Our strategic plan specifies that we should aim to diversify and strengthen our funding base through securing new income sources. It also notes that optimising our fundraising and funding structure requires us to have a mix of large grants and smaller supporting amounts, and to prioritise seeking more substantial amounts, even if the lead-time for those can be measured in years rather than months.

By the end of the organisation's financial year, the organisation had grown significantly in terms of the number of projects being operated and in terms of its forward-looking budget. The level of fundraising effort carried out during year was high, as was the success ratio of submissions. The consequent expanded demands on the organisation in the immediate term and with regards to the uncertainty of future trends in donor priorities and capabilities in the longer term require constant assessment and response.

The projects covered traditional areas for the organisation as well as several new subjects and activities providing diversity in support. There is a wide mix in the funding size and duration of the projects.

The breadth and depth of activities we are carrying out and our success in fundraising shows the trust and value that governments, international funders and partners place in us. The contracts we have been given demonstrate confidence in our ability to contribute and deliver across the field of traditional and new matters in peace and security - both in the realm of practical assistance and stakeholder engagement, as well as generating new ideas and concepts.

Review of activities

National Implementation Measures (NIM) programme:

The NIM Programme methodology consists of three pillars: awareness-raising through publications and participation in events; legislative analysis; and legislative drafting and review. NIM cooperates and coordinates its work with relevant international organisations and assistance providers, including by joining international consortiums. The experience of the Covid-19 pandemic and climate change considerations continued to reshape programme activities and project implementation with the ongoing use of online means to conduct our activities.

During the FY 2021/22, the NIM Programme worked on the national legislative implementation of States' obligations under international legal instruments, maintaining its traditional focus on the non-proliferation of CBRN weapons and security of CBRN materials while continuing activities in related or other areas such as biological emergency preparedness and response and public health.

Advancing BWC National Implementation in Africa, Latin America and South East Asia, funded by the US DoS
This project is implemented by CRDF Global and VERTIC to advance national implementation of the BWC by working with BWC States Parties on their implementing legislation, regulations, and related measures. The project foresees national and regional subprojects with BWC States Parties on legislative implementation.



Preparatory Committee for the BWC Review Conference, Geneva, April 2022

Legislative Assistance for National Implementation of the Biological and Toxin Weapons Convention and the Chemical Weapons Convention, funded by the Norwegian Ministry of Foreign Affairs.

In this project, the NIM team has completed comprehensive analyses of legislation and continued to publish revised and translated versions of its awareness-raising and legislative analysis tools on BWC and CWC implementing legislation. The team participated in remote and in-person events, conducted outreach, preliminary and follow-up activities for legislative analysis and drafting in interested countries, in coordination with relevant partners.



BWC Workshop, RACVIAC Centre for Security Cooperation, May 2022, Croatia

EU Council Decision 2019/97 in support of the BTWC, Legal expert for the Extended Assistance Programme (EAP) Project 2 on Capacity development in support of BTWC implementation (legal assistance for BTWC implementation), funded by the United Nations (UNODA)

During this project, the NIM team conducted preparatory activities with a view to organising drafting workshops in four countries, in coordination with UNODA/the BWC Implementation Support Unit, and consistent with activities conducted under the Norway-funded project noted above.

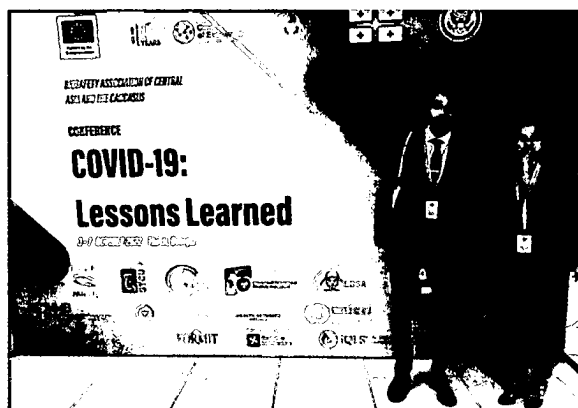
Addressing misconceptions about chemical and biological weapons and related legal frameworks, funded by the UK Foreign Commonwealth and Development Office

Under this project, the team conducted legal research and analysis to develop a publication addressing misconceptions about chemical and biological weapons and related international instruments, to counter efforts to undermine global norms and improve their understanding among relevant stakeholders.

Biosafety Association for Central Asia and the Caucasus (BACAC) conference on 'COVID-19 Lessons Learned', 3-7 October 2022, Tbilisi, Georgia, funded by the International Science and Technology Center

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Under this project, the team prepared for and delivered pre-conference workshops, a roundtable discussion and a conference session on legislation during the BACAC conference on "Covid-19 Lessons learned" during 3-7 October in Tbilisi, Georgia.



BACAC Conference 'COVID-19 Lessons Learned', 3-7 October 2022, Tbilisi, Georgia

Enhanced biosecurity in South East Asia Project 81, funded by the EU CoE

Under this project, the team assessed partner countries' legislation for the implementation of the BTWC and the International Health Regulations, provide tailored recommendations to strengthen legislation to be discussed during national and regional workshops, and analysed legislation either adopted or applied, or both, during the Covid-19 pandemic.

Sound management of chemicals and their wastes in South East Asia Project 61, funded by the EU CoE.

Under this project, we worked to assess partner countries' legislation on management of chemicals and their wastes, and to provide tailored recommendations and guidelines to strengthen legislation.

Strengthening CBRN waste management capabilities in South-East and Eastern European countries, funded by the EU CoE

NIM completed all deliverables under this project in 2019, but participated virtually in the project closing meeting in September 2022 to present on the projects legal outputs.

Academic study on the reasons and challenges for UN Member States not becoming party to the International Convention for the Suppression of Acts of Nuclear Terrorism (ICSANT), funded by the United Nations (UNOCT).

The team completed the final version of the study foreseen under this project in October 2022, in close coordination with the UN Counter Terrorism Centre of UNOCT.

Verification and Monitoring Programme

The Verification and Monitoring Programme (VMP) provides research, tools and facilitates capacity building and expert dialogue to support international agreements and norms in the field of non-proliferation, arms control, disarmament and development. Programme staff have expertise across the scientific and policy fields. We engage globally with governments, technical agencies, international organisations, private sector, academia and civil society. The Programme carried out activities in the following areas:

UN Secretary-General Mechanism – increasing participation and strengthening practical knowledge-bases, funded by UK FCDO

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This project continued VERTIC's work to strengthen the UNSGM. The project delivered an adapted version of VERTIC's 2019 UNSGM TTX in a regional context in Central Asia (carried out remotely through videoconferencing tools). This served as an awareness-raising event on the UNSGM while also providing an opportunity to look at region-specific dynamics and challenges. This project was completed in March 2022.

UN Secretary General Mechanism – training and outreach event for experts in Latin America, funded by UK FCDO

This project draws on the approaches and resources prepared for the above project on 'UN Secretary General Mechanism – increasing participation and strengthening practical knowledge-base'. The project's goal was to hold an online event for relevant experts from Latin America on the UNSGM, showcasing its importance and some of the key dynamics that influence a UNSGM investigation.

Supporting the UN Secretary General Mechanism - mapping internationally available resources and examining challenges in international cooperation, funded by the US Department of State

This project aims to identify resources within the UN and other International Organisations that could be leveraged in a future investigation of alleged biological weapons use and to consider challenges in making them available due to logistical, legal or institutional factors, as well as appropriate mitigation strategies.

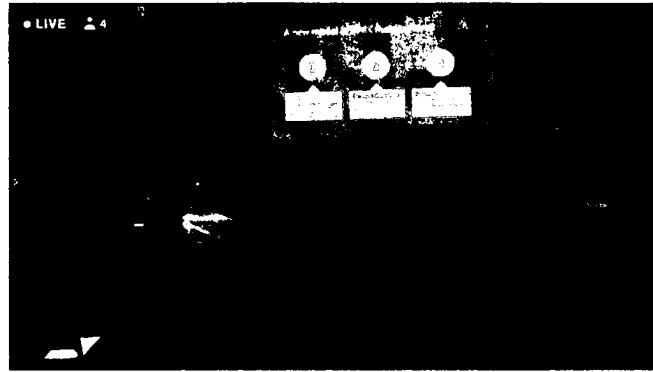
Supporting Global Capacity for Nuclear Disarmament Verification, funded by the funded by the Norwegian Ministry of Foreign Affairs

The project enables capacity building for NDV across world regions and supports its consideration at the United Nations. The project will embed 'hubs' for nuclear disarmament verification established under a previous project in Latin America, Central Asia and Africa. Project partners in the regions will support implementation. During this year, VERTIC has engaged with the work of the United Nations Group of Governmental Experts (GGE) for Nuclear Disarmament Verification, and provided briefings and commentary to GGE representatives upon request. We also hosted a side event at the 2020 Review Conference of the Nuclear Nonproliferation Treaty, held in New York in August 2022.

North Korea's WMD: Assessment & Verification – role of Open Sources, funded by Global Affairs Canada

This multi-year project is developing an innovative methodology for analysing a nuclear weapons programme using open-source data. The project aims to provide a credible assessment of the DPRK's capabilities that can be interrogated and used by a range of stakeholders. The project also explores the applicability of the model to biological and chemical issues. The project will produce imagery and material data sets as well as policy proposals designed to facilitate future negotiations and in-country verification efforts.

The project consists of three linked workflows: project partners at the Middlebury Institute of International Studies at Monterey (CNS) examine open sources on the North Korean nuclear fuel cycle to provide a new baseline assessment of DPRK nuclear infrastructure; VERTIC uses fuel cycle modelling software, provided by the UK's National Nuclear Laboratory, to estimate present and historical fissile material production based on the inputs provided by CNS; project partners at the Royal United Services Institute (RUSI) take results from VERTIC's model and use probabilistic framework to assess priorities for verification. RUSI also provide assessments of the chemical and biological programmes. In September 2022, we signed an additional extension agreement with Global Affairs Canada.



AMC conference 2022 - K4 (21 Oct)

VERTIC presenting first public research on modelling for North Korean nuclear fuel cycle at the Alva Myrdal Centre for Nuclear Disarmament, Sweden.

Capacity-building and remote assistance on IAEA Safeguards implementation and SSAC development, funded by the UK Department for Business, Energy and Industrial Strategy

This project aims to support nuclear non-proliferation through the IAEA Safeguards system. VERTIC provides outreach and assistance to IAEA Member States in improving implementation of safeguards, with a focus on domestic regulatory practices (often called State System of Accountancy and Control – SSAC). During the year, VERTIC conducted outreach to several countries to coordinate potential assistance activities, held an outreach event during the Tenth Review Conference of the Treaty on the Non-Proliferation of Nuclear Weapons, UN, and spoke to a side event on SSAC assistance during the IAEA General Conference.

In addition, VERTIC provided support to the IAEA for the 2022 Symposium on International Safeguards. VERTIC staff contributed to the formulation of the symposium's scientific programme and to the creation of a 'futures' tool investigating different trends and scenarios relevant to the IAEA Safeguards regime over the next 35 years.



VERTIC at the IAEA Symposium on International Safeguards, 2022

Further Strengthening Safeguards: Preserving Institutional Memory and Supporting Outreach on Safeguards Agreements, Additional Protocols and Small Quantities Protocols, and Training Diplomats and Practitioners in Safeguards, funded by the UK FCDO, in collaboration with the Vienna Center for Non-Proliferation and Disarmament (VCDNP)

VERTIC was contracted by the VCDNP to assist in this project which aims to identify the key factors that brought countries to ratify IAEA Safeguards agreements or make significant changes in their Safeguards status, such as amending their Small Quantities Protocol. The project interviewed policy-makers and specialists from various countries to research their decision-making history.

Understanding irreversibility in global nuclear politics, funded by the UK FCDO

This project brings together universities and research centres, from the UK and beyond in a consortium to investigate the concept of 'nuclear irreversibility' in disarmament and arms control. The project seeks to generate new conceptual and empirical insights to aid understanding about nuclear irreversibility in the context of the NPT Review process. VERTIC is a member of this consortium with CSIS, The European Leadership Network, The University of York, led by King's College London. VERTIC is also working with networks in Central Asia, Africa and Latin America to produce regional perspective papers on this issue.

Irreversibility in nuclear disarmament: Long-term management and risk monitoring approaches, funded by the US Department of State

This project investigates the issue of irreversibility in nuclear disarmament from the perspective of nuclear latency, with a focus on long-term approaches for monitoring latent nuclear capabilities and managing risks. This work will include developing a list of possible indicators of latent nuclear weapons capability, and matching them to appropriate monitoring and verification techniques.

Opportunities for Cooperative Aerial Monitoring, funded by the US Department of State

This project considers and develops concepts for new cooperative aerial monitoring regimes. The project follows VERTIC's work on the Open Skies Treaty. The aim of the project is to assess the technical and political feasibility of using certain overhead monitoring systems, sensors and other monitoring equipment, and the possible geographic extent for cooperative aerial monitoring.

The Impact of Quantum Technologies on Verification and Arms Control, funded by the US Department of State

This project looks at the impact of Quantum information science and technologies (QIST) on arms control, non-proliferation and verification. Quantum technologies are expected to impact and disrupt current verification activities by enabling the development of new sensors and challenging secure data transfer and storage. Meanwhile, developments in the use of QIST for accurate chemical and biological modelling are expected to cause additional challenges and opportunities for WMD risk reduction. VERTIC is leading this project and has partnered with CNS to deliver it.

Building capacity to detect, respond to and investigate targeted CBRN events in Eastern Europe, funded by the US Department of State

This project engages stakeholders in Europe to bring specialised training on detecting, responding and investigating small-scale, targeted CBRN incidents. VERTIC will coordinate activities and convene training by competent practitioners from a range of institutions.

Compliance Mechanisms and Measures (CMM) programme:

The Compliance Mechanisms and Measures Programme's work is concerned with matters of interpretation, clarification, and concurrence. This entails research on adherence, the role of compliance processes, responses to non-compliance, as well as providing training on compliance.

During the FY 2021/22, the CMM programme continued its work on United Nations sanctions research, awareness-raising, and training, maintaining a particular focus on the maritime sanctions concerning North Korea. VERTIC is conducting this work as part of a consortium with (CNS) and KCL, under projects sub-contracted from CNS. The team, comprising two staff, both women, worked on three projects addressing maritime officials, private sector maritime stakeholders and illicit shipping activities that are intended to enhance capacity for North Korea sanctions implementation and compliance.

This work usually involves significant in-person engagement at workshops around the world. Due to the ongoing travel restrictions caused by Covid-19, the team continued its work with CNS and KCL to develop customised training materials for remote online delivery to states and private sector entities in the

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maritime field, which have been translated into French and Spanish, and to hold virtual workshops online. The team also contributed to the consortium's production of additional maritime sanctions information materials for States, as the scope of work continued to expand to address additional sanctions compliance challenges.

The CMM programme started a new project this FY on Maritime Confidence- and Security-Building Measures in the Asia Pacific, in cooperation with the Asia Pacific Leadership Network (APLN), on preventing dangerous maritime incidents and unintended escalation in the Asia-Pacific, supported by the US Department of State. The project engages Asia-Pacific policy practitioners and experts in a substantive dialogue on mitigating military incidents at sea and reinvigorating the call for urgent maritime confidence building and crisis-avoidance measures in the Asia-Pacific.

Cross-organisation activities

Publications and events

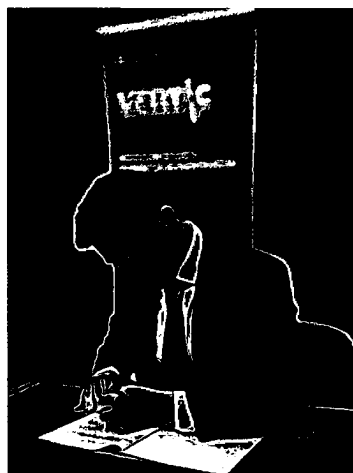
VERTIC staff presented at numerous events at numerous on-line and in-person events hosted by other organisations on arms control, disarmament and non-proliferation throughout the year such as the Asia-Pacific branch of the Emerging Voices Network, Stockholm Security Conference and a course organised by the OECD Nuclear Energy Agency.

Staff also wrote articles for VERTIC's periodical publication *Trust & Verify*, such as on the 2020 NPT Review Conference; Fractional Orbital Bombardment Systems; prospects for an ASAT treaty; EU Recast Dual-Use Regulation; applicability of international law to the security of nuclear and chemical facilities in Ukraine; state practice in redistributing assets frozen during sanctions enforcement, and on the nature of sanctions applied against Russia. We also had external authors provide articles on cyber-security coverage within the Convention on the Physical Protection of Nuclear Material and the role of women in the BWC.

Staff continued to advance VERTIC's mission through their membership, or chairing of working groups, of bodies such as Council for Security Cooperation in the Asia-Pacific (CSCAP)'s Non-proliferation and Disarmament Study Group; the Asia-Pacific Leadership Network for Nuclear Non-Proliferation and Disarmament (APLN), International Nuclear Law Association (INLA), and the European Safeguards Research and Development Association (ESARDA).

Partnerships

VERTIC's institutional partnerships have grown during the reporting period. In December 2021, we signed an organisational-level agreement between the International Atomic Energy Agency and VERTIC, formalizing the approach to cooperation on nuclear safeguards. As anticipated and described above, we cooperated extensively on the development and execution of flagship elements of the 2022 IAEA International Safeguards Symposium.



VERTIC signing agreement with IAEA

Later in the reporting period, we agreed another organisational-level partnership. This new agreement is with ESARDA. VERTIC is the first NGO that has become an associated member. Its traditional membership includes national and European-level atomic energy commissions and research institutes as well as national nuclear laboratories in the UK and US. VERTIC has engaged with ESARDA for many years on research and publications. VERTIC staff are contributing through chairing a working group.

Strategic Review

Throughout the year, VERTIC sought the views staff, trustees and a small number of external expert colleagues and friends of the organisation to inform our next Strategic Plan. We held three substantive meetings on:

- Biological and chemical weapons security and safety, and international public health
- Nuclear Disarmament, Non-Proliferation, Security and Arms Control, and
- Transformations - Emerging areas of concern and opportunity.

The meetings covered our organisation's work in the field, provided an assessment of the trends in the sector, including those relating to funding, and outlined interests and goals that VERTIC could pursue. The remaining meetings will focus on operations.

Financial review

Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Principal funding

VERTIC's income was £1,212,902 for the year ended 31 October 2022 (2021: £1,368,649). Of this, £1,164,000 (2020: £1,348,159) were restricted funds and £48,902 (2021: £20,490) were unrestricted funds. Income is recorded on its grant register by donor and programme.

Details of the restricted project funds are given in note 3 to the accounts. The Trustees are confident that adequate resources are available to enable the completion of these projects.

Reserves policy

VERTIC seeks to maintain a level of unrestricted reserves adequate to meet all current and known future liabilities. In practice, the Trustees consider that holding unrestricted reserves equivalent to three months operating and contractual costs is a sufficient minimum, which based upon the figures for the year ended 31 October 2022 is £261,000 (2021: £236,830). The reserves policy is under continuous review.

Assets

VERTIC holds no significant assets apart from fixtures and fittings, office and computer equipment.

Investment performance

VERTIC can invest monies not immediately required in such investments, securities or property as may be thought fit. The current policy is to maintain all such monies on deposit earning a market rate of interest.

Risks and uncertainties

The board has reviewed the major risks to which VERTIC is exposed, particularly those related to the governance, operations and finances of the charity, and is satisfied that reasonable steps are being taken to manage them. VERTIC maintains a risk register which is reviewed and updated annually.

Structure, governance and management

Constitution

The Verification Research Training and Information Centre (VERTIC) (A company limited by guarantee)
Trustees' report for the year ended 31 October 2022

VERTIC is a company limited by guarantee (number: 03616935) and a registered charity (number: 1073051) in England and Wales. It was incorporated on 17 August 1998 and is governed by articles of association which were last amended and adopted on 11 May 2011. VERTIC is an independent, not-for-profit, non-governmental organisation.

The Board

The Board of Trustees is responsible for the governance and strategic direction of VERTIC. The Board meetings regularly and from time to time convenes sub-committees to perform specific delegated duties delegated.

The Board of Trustees comprises between three and eleven trustees. Trustees are appointed by ordinary resolution or by a simple majority of all directors for fixed terms of three years after which they must retire from office. They may stand for re-election.

Trustee recruitment and appointment

There is a regular process for reviewing and refreshing Board membership. Upon appointment, trustees receive relevant information about VERTIC including a copy of the articles of association and recent board minutes. New trustees also receive the ongoing support of the Chair and the Executive Director.

Staff and management

VERTIC employed ten full-time staff as at 31 October 2022. The Chief Executive Officer (referred to as the 'Executive Director' (Acting)) is responsible for the day-to-day operational management of VERTIC and is accountable to the board of trustees. He is supported by a Deputy Executive Director and a Senior Management Group (SMG). Programme Directors are responsible for the day-to-day implementation and supervision of projects. VERTIC also runs a paid internship programme.

Pay and remuneration of staff

VERTIC's policies on remuneration are set out in its 'Staff Handbook'. The Executive Director prepares a salary review in consultation with the Finance Director, during September- October each year. The draft salary review and the annual budget are provided to the Board of Trustees for their consideration, comments and approval. The Board of Trustees decides the Executive Director's salary independently.

Plans for future periods and future developments

The current strategic plan and ongoing strategic review process do not envision any significant changes in our focus and direction.

Trustees' responsibilities statement

The Trustees (who are also directors of The Verification Research, Training and Information Centre for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and regulations and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees 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 of the incoming resources and application of resources, including 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 judgments 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.

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The Trustees 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.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report was approved by the Trustees, on 10 July 2023 and signed on their behalf by:

Prof Owen Greene, Chair

A handwritten signature in black ink, appearing to read 'Owen Greene', with a large, stylized initial 'O'.

**Independent auditors' report to the members of
The Verification Research Training and Information Centre (VERTIC)**

Opinion

We have audited the financial statements of The Verification Research Training and Information Centre (VERTIC) (the 'Charity') for the year ended 31 October 2022 which comprise the Statement of Financial Activities, the Balance Sheet, statement of cash flows and notes to the financial statements, 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 Charity's affairs as at 31 October 2022 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements 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 directors 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 annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements 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 financial statements 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.

**Independent auditors' report to the members of
The Verification Research Training and Information Centre (VERTIC)**

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the directors' report) have 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 Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual 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;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 financial statements.

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 are set out below.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.

**Independent auditors' report to the members of
The Verification Research Training and Information Centre (VERTIC)**

- We inspected the minutes of meetings of those charged with governance.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of financial statements 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 our report

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

Anthony Epton

**Anthony Epton (Senior Statutory Auditor)
for and on behalf of
Goldwins Limited
Statutory Auditor
Chartered Accountants
75 Maygrove Road
West Hampstead
London
NW6 2EG**

12 July 2023

The Verification Research Training and Information Centre (VERTIC)

Statement of financial activities

(incorporating an income and expenditure account)

For the year ended 31 October 2022

	Note	Unrestricted £	Restricted £	2022 Total £	2021 Total £
Income from:					
Charitable activities	3	48,902	1,164,000	1,212,902	1,368,649
Total income		48,902	1,164,000	1,212,902	1,368,649
Expenditure on:					
Raising funds		15,686	-	15,686	38,001
Charitable activities:		163,179	866,436	1,029,615	1,225,398
Total expenditure	4.	178,865	866,436	1,045,301	1,263,399
Net income / (expenditure) for the year		(129,963)	297,564	167,601	105,250
Transfers between funds		298,731	(298,731)	-	-
Net income / (expenditure) before other recognised gains and losses		168,768	(1,167)	167,601	105,250
Unrealised Gain / (Loss)		(986)		(986)	
Gains / (losses) on fixed assets					(498)
Foreign exchange gains / (losses)		108,354	1,167	109,521	(32,314)
Net movement in funds	13	276,136	-	276,136	72,438
Reconciliation of funds:					
Total funds brought forward		710,612		710,612	638,174
Total funds carried forward		986,748	-	986,748	710,612

All of the above results are derived from continuing activities.

There were no other recognised gains or losses other than those stated above.

The notes on pages 20-30 form part of these financial statements.

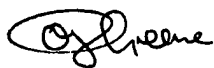
The Verification Research Training and Information Centre (VERTIC)

Balance sheet

As at 31 October 2022

	Note	2022 £	2022 £	2021 £	2021 £
Fixed assets:					
Tangible assets	8		5,633		7,893
			5,633		7,893
Current assets:					
Debtors	9	102,314		140,088	
Cash at bank and in hand	16	1,857,995		1,540,366	
		1,960,309		1,680,454	
Liabilities:					
Creditors: amounts falling due within one year	10	(979,194)		(977,735)	
Net current assets			981,115		702,719
Total assets less current liabilities			986,748		710,612
Total net assets			986,748		710,612
Charity Funds					
Restricted funds	13		-		-
Unrestricted funds	13		986,748		710,612
Total funds			986,748		710,612

The financial statements were approved and authorised for issue by the Trustees on the 10 July 2023, and signed on their behalf, by:



Prof Owen Greene, Chair

The notes on pages 20-30 form part of these financial statements.

The Verification Research Training and Information Centre (VERTIC)

Statement of cash flows

For the year ended 31 October 2022

	Note	2022 £	2021 £
Cash flows from operating activities:			
Net cash provided by / (used in) operating activities	15	211,657	(145,016)
Cash flows from investing activities:			
Interest/ rent/ dividends from investments			
Sale/ (purchase) of fixed assets		(3,549)	(6,506)
Other gains / (loss) of fixed assets		-	(498)
Unrealised gains/ (losses)			
Cash provided by / (used in) investing activities		(3,549)	(7,004)
Cash provided by / (used in) financing activities		-	-
Change in cash and cash equivalents in the year		208,108	(152,020)
Cash and cash equivalents at the beginning of the year		1,540,366	1,724,700
Change in cash and cash equivalents due to exchange rate movements		109,521	(32,314)
Cash and cash equivalents at the end of the year	16	1,857,995	1,540,366

The notes on pages 20-30
form part of these financial statements.

1. Accounting policies

a) Basis of preparation of financial statements

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 2015) - (Charities SORP FRS 102) and the Charities Act 2011, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Verification Research Training and Information Centre (VERTIC) meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

b) Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Accounting estimates and assumptions:

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Areas of judgement:

The charity has recognised tangible assets with a carrying value of £7,893 at the reporting date (see note 8). These assets are stated at their cost less provision for depreciation. The company's accounting policy sets out the approach to calculating depreciation for assets acquired.

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. See note 8 for the carrying amount of tangible fixed assets.

Deferred income has been recognised where the receipt of a grant has occurred during the period but the associated expenditure will occur during future periods. The income has been deferred to ensure that the recognition of the income and expenditure are recorded in the same period in the financial statements.

Accrued income has been recognised on the value of work performed on programme related activities but not yet invoiced for. The invoices will be raised and settled in the next period.

c) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

d) Company status

The charity is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantees is limited to £1 per member of the charity.

e) Income recognition

Income from charitable and trading activities is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Income received in advance for the provision of specified service is deferred until the criteria for income recognition are met.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

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.

g) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

h) Expenditure and irrecoverable VAT

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. All expenditure is accounted for on an accrual basis and includes attributable VAT where it cannot be recovered.

i) 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 and its activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The basis on which support costs have been allocated are set out in note 4.

j) Operating leases

Rental charges are charged on a straight-line basis over the term of the lease.

k) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures and fittings	25% straight line (over four years)
Computer equipment	33% straight line (over three years)

l) Debtors

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

m) 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 of the deposit or similar account.

n) 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.

o) Financial Instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

p) Foreign Currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange gains and losses are recognised in the Statement of financial activities incorporating income and expenditure account.

q) Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

The Verification Research Training and Information Centre (VERTIC)
Notes to the financial statements
For the year ended 31 October 2022

2. Detailed comparatives for the statement of financial activities				
	2021	2021	2021	
	Unrestricted	Restricted	Total	
	£	£	£	
Income from:				
Donations and legacies				
Charitable activities	20,490	1,348,159	1,368,649	
Total income	20,490	1,348,159	1,368,649	
Expenditure on:				
Raising funds	38,001	-	38,001	
Charitable activities:	163,548	1,061,850	1,225,398	
Total expenditure	201,549	1,061,850	1,263,399	
Net income / expenditure	(181,059)	286,309	105,250	
Transfers between funds	508,361	(508,361)		
Net income / (expenditure) before other recognised gains and losses	327,302	(222,051)	105,250	
Gains / (losses) on fixed assets	-	(498)	(498)	
Foreign exchange gains/(losses)	(20,928)	(11,386)	(32,314)	
Net movement in funds	306,374	(233,936)	72,438	
Reconciliation of funds:				
Total funds brought forward	404,238	233,936	638,174	
Total funds carried forward	710,612	-	710,612	
3. Income from charitable activities				
	Unrestricted	Restricted	2022	2021
	£	£	Total	Total
			£	£
Charitable activities	407	1,164,000	1,164,407	1,368,649
Joseph Rowntree Charitable Trust	48,495		48,495	20,000
Total income	48,902	1,164,000	1,212,902	1,388,649

The Verification Research Training and Information Centre (VERTIC)
Notes to the financial statements
For the year ended 31 October 2022

4. Analysis of expenditure							
	Basis of allocation	Support cost	Governance costs	Raising Funds	Charitable activities	2022	2021
		£	£	£	£	£	£
Charitable Activities	Direct	5,166	-	-	253,333	258,499	392,682
Legal & Professional	Direct	-	5,181	-	2,258	7,439	8,537
Auditor's remuneration	Direct	-	6,500	-	1,000	7,500	9,362
Salaries	Direct	66,158	-	15,686	598,228	680,072	760,036
Staff welfare	Direct	14,230	-	-	150	14,380	13,601
Project cost	Direct	4,554	-	-	2,511	7,065	6,292
Office overheads	Staff	-	-	-	-	-	8
Insurance	Staff	789	-	-	-	789	818
PPS	Staff	885	-	-	61	946	1,184
Refreshments	Staff	249	-	-	-	249	259
Subscriptions	Staff	5,206	-	-	4,724	9,930	8,167
Rent	Staff	49,723	-	-	-	49,723	47,718
Rates	Staff	939	-	-	-	939	2,253
Bank charges	Staff	474	-	-	317	791	690
Governance	Staff	-	1,170	-	-	1,170	1,984
Depreciation	Staff	1,955	-	-	3,854	5,809	9,808
		150,328	12,851	15,686	866,436	1,045,301	1,263,399
Support costs		(150,328)			150,328		
Governance costs			(12,851)		12,851		
Total expenditure 2022		-	-	15,686	1,029,615	1,045,301	
Total expenditure 2021		-	-	38,001	1,225,398		1,263,399

Of the total expenditure £178,865 was unrestricted (2021: £201,549) and £866,436 was restricted (2021: £1,061,850).

The Verification Research Training and Information Centre (VERTIC)
Notes to the financial statements
For the year ended 31 October 2022

5. Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2022	2021
	£	£
Depreciation	5,809	9,809
Auditor's remuneration	6,500	6,500
Projects audit	1,000	2,862
Pension costs	28,905	31,208
Unrealised (gains) / losses	986	-
Foreign exchange (gains) / losses	(109,521)	(32,314)

6. Analysis of staff costs, trustee remuneration and expenses, and key management personnel costs

Staff costs were as follows:	2022	2021
	£	£
Salaries and wages	590,421	658,736
Social security costs	60,746	70,092
Pension contributions	28,905	31,208
	680,072	760,036

The following number of employees received remuneration during the year between:

	2022	2021
	No.	No.
£60,000 - £69,999	2	2
£70,000 - £79,999	1	1

The total employee benefits including pension contributions of the key management personnel were £242,240 (2021: £324,237).

Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2022	2021
Raising funds		
Charitable activities	11	11
Support	1	1
Governance	1	1
	13	13

7. Taxation

The charity is exempt from tax as all its income is charitable and is applied for charitable purposes.

The Verification Research Training and Information Centre (VERTIC)
Notes to the financial statements
For the year ended 31 October 2022

8. Tangible fixed assets

	Computer Equipment	Fixtures & Fittings	Total
Cost		£	£
At the start of the year	32,953	2,156	35,109
Additions in year	3,549		3,549
Disposals in year			-
At the end of the year	36,502	2,156	38,658
Depreciation			
At the start of the year	25,599	1,617	27,216
Charge for the year	5,270	539	5,809
Eliminated on disposal			
At the end of the year	30,869	2,156	33,025
Net book value			
At the end of the year	5,633	-	5,633
At the start of the year	7,354	539	7,893

All of the above assets are used for charitable purposes.

9. Debtors

	2022	2021
	£	£
Trade debtors	22,320	72,133
Accrued income	73,391	63,720
Prepayments	6,603	4,235
	102,314	140,088

10. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	4,172	116
Taxation and social security	11,246	21,274
Other creditors	1,903	19,793
Accruals	87,659	119,832
Deferred income	874,214	816,720
	979,194	977,735

The Verification Research Training and Information Centre (VERTIC)
Notes to the financial statements
For the year ended 31 October 2022

Deferred Income

	2022	2021
	£	£
Balance at the beginning of the year	816,720	905,434
Amount released to income in the year	(816,720)	(905,434)
Amount deferred in the year	874,214	816,720
Balance at the end of the year	874,214	816,720

£874,214 of charitable activity income recognised in 2022 has been deferred at year-end to project costs to be incurred in 2023.

11. Analysis of net assets between funds - current year

	Unrestricted	Restricted	Total funds
	£	£	£
Tangible fixed assets	2,830	2,803	5,633
Current assets	1,011,317	948,992	1,960,309
Current liabilities	(27,399)	(951,795)	(979,194)
Net assets at the end of the year	986,748	-	986,748

12. Analysis of net assets between funds - prior year

	Unrestricted	Restricted	Total funds
	£	£	£
Tangible fixed assets	539	7,354	7,893
Current assets	729,708	950,746	1,680,454
Current liabilities	(19,635)	(958,100)	(977,735)
Net assets at the end of the year	710,612	-	710,612

The Verification Research Training and Information Centre (VERTIC)
Notes to the financial statements
For the year ended 31 October 2022

13. Movements in funds - current year

	Balance at 1 November 2021	Income	Expenditure	Transfer in/out	Unrealised gains / losses	Balance at 31 October 2022
General funds	710,612	48,902	(178,865)	298,731	107,368	986,748
Restricted funds						
NIM programme	-	264,137	(244,443)	(19,662)	(32)	-
VM programme	-	611,825	(486,754)	(126,270)	1,199	-
CMM programme	-	288,038	(135,239)	(152,799)	-	-
Other restricted funds	-	-	-	-	-	-
Total restricted funds	-	1,164,000	(866,436)	(298,731)	1,167	-
Total funds	710,612	1,212,902	(1,045,301)	-	108,535	986,748

Restricted funds:

NIM - National Implementation Measures programme

VM - Verification and Monitoring Programme

CMM - Compliance Mechanisms and Measures programme

14. Movements in funds - prior year

	Balance at 1 November 2020	Income	Expenditure	Transfer in/out	Unrealised gains / losses	Balance at 31 October 2021
General funds	404,238	20,490	(201,549)	508,361	(20,928)	710,612
Restricted funds						
NIM programme	-	295,508	(232,878)	(62,123)	(507)	-
VM programme	-	801,236	(706,154)	(83,705)	(11,377)	-
CMM programme	-	251,415	(122,818)	(128,597)	-	-
Other restricted funds	233,936	-	-	(233,936)	-	-
Total restricted funds	233,936	1,348,159	(1,061,850)	(508,361)	(11,884)	-
Total funds	638,174	1,368,649	(1,263,399)	-	(32,812)	710,612

VERTIC is extremely grateful for the continuing support from its funders such as European Commission representatives, Foreign Ministries, Institutes and Legal Institutions, United Nations and others that contributed £48,490, £741,661, £288,038, £34,857, £34,917 and £16,037 respectively of which £284,899 came from Canadian MFA.

The Verification Research Training and Information Centre (VERTIC)
Notes to the financial statements
For the year ended 31 October 2022

During the year, £298,731 was transferred to unrestricted funds as it was part of the grant agreements to keep the funds for the charity's core activities.

15. Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2022	2021
	£	£
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	167,601	105,250
Depreciation	5,809	9,809
Unrealised (gains)/ losses	(986)	-
Loss/ (profit) on the sale of fixed assets	-	498
(Increase)/ decrease in debtors	37,774	(31,778)
Increase/ (decrease) in creditors	1,459	(228,794)
Net cash provided by / (used in) operating activities	211,657	(145,015)

16. Analysis of cash and cash equivalents

	At 1 November 2021 £	Cash flows £	Other changes £	At 31 October 2022
Cash at bank and in hand	1,540,366	317,629		1,857,995
Overdraft facility (repayable on demand)				
Total cash and cash equivalents	1,540,366	317,629		1,857,995

17. Pension commitments

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund amounted to £28,905 (2021 - £31,208) of which £1,903 (2021- £5,574) was payable at the year end.

18. Operating lease commitments

At 31 October 2021 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

Amounts payable:	2022	2021
Within 1 year	49,944	48,904
Between 1 and 5 years	20,810	70,002
	70,754	118,906

19. Trustee remuneration and benefits

During the year, no trustees (2021 – NIL) were paid or received any other benefits from employment with the charitable company.

20. Transaction (s) with related parties

There has been no related party transaction in the reporting period.