

**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 2023**

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**Reference and administrative details of the charity, its trustees and advisers  
For the year ended 31 October 2023**

**Trustees**

Prof Owen J Greene, Chair  
Ms Laura Rockwood, Treasurer  
Ms Lisa Tabassi  
Mr Nicholas Sims  
Mr Richard Burge (resigned January 2023)  
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

**Independent auditors**

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Chartered Accountants  
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NW6 2EG

**Bankers**

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PO Box 411  
34 Henrietta Street  
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**Solicitors**

Bircham Dyson Bell  
50 Broadway  
London  
SW1H 0BL

## **Trustees' report**

### **For the year ended 31 October 2023**

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 2023, 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:

## **Trustees' report (continued)**

### **For the year ended 31 October 2023**

#### 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 other functional areas of law, such as other classes of weapons of mass destruction and convention forces.

#### Verification and Monitoring:

3. 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,
4. Continue to advocate the use of science diplomacy to solve verification hurdles, and work towards establishing national capacity.
5. 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.

VERTIC was in a [positive] position at the end of its FY - 31 October 2023. It has received £2,175,373 in income and made £1,476,783 expenditure. By the end of the organisation's financial year, the organisation had continued the trend of the previous year in running a comparatively large number of projects, around 25, of varying sizes and durations, with a wide range of subjects, activities and stakeholders - see sections below. This has resulted in a strengthened funding base in terms of overall size and diversity. The level of fundraising effort during the year was steady to high with around 10 submissions of which around half were successful.

This situation indicates that we were able to attract substantial and growing support for the organisation and its mission as well as retain confidence in our abilities to deliver. VERTIC has secured funding for a greater number of projects overall this year than in most previous years; which is a good indicator not only of the continuing confidence in VERTIC's capabilities and expertise but also of the continuing relevance of our mission. These funded projects are all in line with our strategic plan and mission. The recent project funding was mainly from governments, institutions and funding bodies with which VERTIC has long standing partnerships. For the purposes of increased resilience, we continue to work to identify new funding sources such as additional governments, branches of government, charitable foundations and non-traditional sources.

Our success in developing new and expanded project activities and funding during this year inevitably led to increased pressures on staff, which were successfully managed. VERTIC's ability to conduct its projects and activities depends on our ability to retain and attract new highly skilled staff. In the past year, there were some departures of valued staff, but we are pleased to report that we have been able to replace them with similarly skilled and experience staff. We plan some further recruitment, to ensure greater core management and administrative capacity and also greater 'surge' capacity to respond to unexpected surges in demand for VERTIC services.

### **Review of activities**

#### National Implementation Measures (NIM) programme:

During the FY 2022/23, 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.

NIM's 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 consortia. NIM's funding basis is a mix of funds from national governments as well as international and regional intergovernmental organisations, as demonstrated by the projects mentioned below, which were in the implementation phase during FY 2022/2023:

**Advancing BWC National Implementation in Africa, Latin America and South East Asia, funded by the United States Department of State, 2021-2024.** This project is implemented by CRDF Global and the NIM Programme to advance national implementation of the Biological Weapons Convention (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.

**Advancing BWC National Implementation in Kenya, funded by the United States Department of State, 2022-2023.** During this reporting period the team implemented a pilot assistance project to provide legislative assistance for implementation of the BWC with Kenya. The team held preliminary meetings with the Kenyan National Commission for Science, Technology and Innovation, conducted legislative analysis of the State's existing legislative framework, and provided in-depth legislative review of a draft bill. From 17-21 July 2023, VERTIC's NIM Programme and partner CRDF Global held two workshops in Naivasha, Kenya on implementation of the BWC. A legislative drafting workshop was held from 17-19 July, with an awareness raising event following on 20-21 July.



BWC Awareness raising workshop, Kenya, July 2023

**Legislative Assistance for National Implementation of the BWC and the CWC, funded by the Norwegian Ministry of Foreign Affairs, 2020-2022, extended through June 2023.** The NIM team completed their work under this project in the reporting period. During the first half of 2023, the team continued to make progress on our cooperation with a number of ODA states. Regarding publications, the team completed our new BWC Model Law, an updated version of VERTIC's 2012 Sample Act, as part of our work on updating our publicly available drafting tools. This was published in March 2023 and has been translated into all UN languages. Regarding BWC and Chemical Weapon Convention (CWC)-related meetings and events, the team participated in a number of important engagements including a Regional Meeting for Stakeholders involved in supporting implementation of UNSCR 1540 in Asia, World Organisation for Animal Health) Firatbio Workshop and the Intergovernmental Authority on Development workshop on UNSCR 1540 implementation. Members of the team further delivered a four-day course on non-proliferation and disarmament law to attendees from the RACVIAC - Centre for Security Cooperation, held

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

a side-event to the CWC Fifth Review Conference presenting VERTIC's activities in support of legislative implementation of the CWC, and conducted a CWC legislative drafting workshop with Sierra Leone.



*VERTIC Model Law for Model Law for National Implementation of the 1972 Biological and Toxin Weapons Convention and Related Requirements of UN Security Council Resolution 1540*



*CWC legislative drafting workshop, June 2023, Sierra Leone*



*Course on non-proliferation and disarmament law, RACVIAC Centre for Security Cooperation, May 2023, 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), 2019 – 2022.** The NIM team finalised their work under this project in the reporting period.

**Addressing misconceptions about chemical and biological weapons and related legal frameworks, funded by the UK Foreign, Commonwealth and Development Office, 2022-2023.** NIM conducted legal research and analysis to develop and launch 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. The report was launched at a side event to the Ninth Review Conference of the BWC in December 2022, was transformed into an interactive webpage, and also translated into all UN languages in March 2023.



**Sound management of chemicals and their wastes in South East Asia Project 61, funded by the EU CoE, 2017- extended to 2022.** NIM completed their work under this project in the reporting period, finalising efforts under Work Package 1 on “Judicial reinforcement with respect to sound management of chemicals and their wastes” to assess partner countries’ legislation on the management of chemicals and their waste, and to provide tailored recommendations and guidelines to strengthen legislation. The project closed with a regional meeting in November 2022, which NIM attended to present on the findings of the project.

**Enhanced biosecurity in South East Asia Project 81, funded by the EU CoE, 2019-2022 extended to 2024.** NIM continued implementing Work Packages 2 and 7 to assess 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 to analyse legislation adopted and/or applied during the Covid-19 pandemic. The team joined relevant missions to partner countries and consortium and EU partners to conduct project activities throughout the year. Under Work Package 2, the team worked on the development of the ‘Guidance on Responsible Conduct of Research for Biosecurity’ to be shared with partner countries, which includes guidance on possible elements to be considered when developing codes of conduct or similar frameworks for the oversight of dual-use research as well as a compilation of relevant resources



Survey mission to Lao PDR, January 2023

**BWC National Implementation Measures Database, funded by the United States Department of State, 2022-26.** In collaboration with the United Nations Disarmament Research Institute (UNIDIR), the team began work on a project to develop a BWC National Implementation Measures Database. The team held regular meetings with UNIDIR and the United Nations International Computing Centre (UNICC) to develop the database architecture. NIM staff presented at the soft launch event online on 31 May 2023 which showcased the draft database for the first time. The database was officially launched on 15 August 2023 at a side event in the margins of the second meeting of the Working Group on the strengthening of the BWC in Geneva. NIM staff began work to complete and upload country profiles for all 185 States Parties to the BWC.



Side event to Working Group on the strengthening of the BWC, August 2023

**Supporting the legislative implementation and universalization of the BWC, CWC and related international instruments, funded by the UK Foreign, Commonwealth and Development Office, 2023-2024.** The team was awarded, and begun implementing, a project funded by FCDO in June 2023. This project has a number of strands, including awareness raising, legislative analysis, legislative drafting and universalisation support in relation to the BWC and CWC.

#### 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. They engage globally with governments, technical agencies, international organisations, private sector, academia and civil society. The Programme carried out activities in the following areas:

#### **United Nations Secretary General Mechanism – training and outreach for experts in Latin America, funded by UK Foreign Commonwealth and Development Office**

The project delivered an online event for experts from Latin America on the UNSGM, showcasing its importance and some of the key dynamics that influence a UNSGM investigation. The event was held in March 2023.

**Supporting the UNSGM: Mapping internationally available resources and examining challenges in international cooperation funded by 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. The first part of the project focused on open-source research on the specific resources and capabilities of international organisations of interest, and produced a matrix matching existing capabilities with possible UNSGM mission needs. VERTIC then worked with United Nations Office for Disarmament Affairs and the Institute for International Criminal Investigations to develop training on interviewing skills to UNSGM nominated experts, and to carried out research on short-notice pre-deployment training.

**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 consists of three linked workflows: our project partners at the Middlebury Institute of International Studies at Monterey (CNS) are systematically examining available open sources on the North Korean nuclear fuel cycle to provide a new baseline assessment of DPRK nuclear infrastructure; VERTIC is using 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; our project partners at the Royal United Services Institute (RUSI) take results from VERTIC's model and use a probabilistic framework to assess priorities for verification. RUSI will also provide assessments of the chemical and biological programmes.

In May we co-hosted a workshop, with the James Martin Centre for Non-proliferation Studies at their Washington DC office, on the limitations of open-source methods for discovering clandestine facilities. In June we presented a poster on our fuel cycle model of North Korea's fuel cycle and a paper on uncovering clandestine nuclear facilities at the Alva Myrdal Centre Annual conference in Uppsala. In July, we participated in a verification priorities workshop hosted with project partners RUSI in cooperation with the Open Nuclear Network at their office in Vienna. In September, we launched the interactive briefing tool at RUSI's offices and provided an in-person briefing to the Japan Atomic Energy Agency in Ibaraki, Japan.



Visit to the JAEA in Tokai, Japan, to discuss recent VERTIC work on DPRK nuclear capabilities

**Supporting Global Capacity for Nuclear Disarmament Verification, funded by Norwegian Ministry of Foreign Affairs.** The project enables capacity building for nuclear disarmament verification across world regions and supports its consideration at the United Nations. The project is further embedding 'hubs' for nuclear disarmament verification first established under a previous project in Latin America, Central Asia and Africa. Project partners in these regions will support implementation. VERTIC engaged with the process around the work of the United Nations Group of Governmental Experts (GGE) for Nuclear Disarmament Verification, and worked with regional partners to advance the hubs.

**Capacity-building and remote assistance on IAEA Safeguards implementation and SSAC development, funded by the UK Department for Energy Security and Net Zero.** This project aims to support the IAEA Safeguards system by providing outreach and assistance to IAEA Member States in improving their national implementation of Safeguards. During the reporting period, VERTIC attended the IAEA General Conference and coordinated with other assistance providers and with IAEA Member States requiring assistance to plan activities to be delivered in 2024.

**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 UK Foreign Commonwealth and Development Office, in collaboration with the Vienna Centre for Non-Proliferation and Disarmament.** VERTIC is a contractor in

this project run by the Vienna Centre for Non-Proliferation and Disarmament. The project 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), and to highlight which approaches to outreach have been more successful. VERTIC contributed to interviews with policymakers and to a workshop in January 2023. The project concluded in March 2023, with a joint VERTIC-VCDNP paper launched.

**Understanding irreversibility in global nuclear politics, funded by UK Foreign Commonwealth and Development Office.** This project brought together leading universities and research centres, from the UK and beyond, to systematically investigate the concept of ‘nuclear irreversibility’ in disarmament and arms control. VERTIC authored a paper on the links between irreversibility and verification and commissioned working papers on the legal perspective in Latin American and the diplomatic perspective from South Africa. Finally, we hosted a workshop on the applicability of the IAEA safeguards system to irreversibility of nuclear disarmament. This project ended in March 2023. VERTIC also attended the Wilton Park workshop in Irreversibility in Nuclear Disarmament in March 2023.

**Irreversibility in nuclear disarmament: Long-term management and risk monitoring approaches, funded by 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. During the reporting period, VERTIC presented on the project to the Science Peace Security conference in Darmstadt, Germany.

**Practical Considerations for Irreversibility of Nuclear Disarmament, funded by UK Foreign Commonwealth and Development Office.** The project builds on the 2022-2023 project on irreversibility of nuclear disarmament (IND), with a focus on identifying and addressing potential practical issues in implementation of IND, and on fostering debate of the issue among diverse constituencies. VERTIC partnered with the University of York and NPSGlobal for this project. During the reporting period, VERTIC organised a side event at the NPT Preparatory Committee 2023 on the topic.



Side Event on Irreversibility in Nuclear Disarmament  
at the NPT Preparatory Commission 2022

**Opportunities for Cooperative Overhead Monitoring, funded by US Department of State.** This project is developing concepts for new cooperative overhead monitoring arrangements. The aim of the project is to assess the technical and political feasibility of overhead monitoring systems, sensors and other monitoring equipment. During the reporting period, we conducted research on the applicability of satellite imagery, uncrewed aerial vehicles (UAVs), new sensors, new geographic regions and lessons learned from the Open Skies treaty.

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

Along with our partner CNS, VERTIC looked at the impact of Quantum information science and technologies (QIST) on arms control, non-proliferation and verification. During the reporting period, VERTIC conducted research and interviews with quantum technology developers, end users and those familiar with potential applications.



### **Indicators and Monitoring Approaches to Support BWC Compliance, funded by US Department of State**

This project aims to develop a list of potential indicators of BWC non-compliance based on a number of scenarios of possible BWC violation, and to match existing or proposed monitoring approaches to those indicators. It is being carried out with expert partners at King's College London. During the reporting period, VERTIC concluded collaboration agreements with the project partners and commenced research.

### **Strengthening nuclear test ban monitoring via non-governmental satellite imagery analysis and mechanisms for resolving compliance concerns, UK Foreign Commonwealth and Development Office**

This project aims to equip the international community with new ways to build confidence in the ongoing absence of nuclear weapon test explosions. During the reporting period, VERTIC carried out research under the project, and participated in a visit to the former Soviet nuclear test site at Semipalatinsk (Kazakhstan).



Presenting fuel cycle modelling work at the Alva Myrdal Centre Conference 2023

### **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 2022/23, 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 the James Martin Centre for Non-proliferation Studies (CNS) under projects sub-contracted from CNS. The team, comprising two staff, 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 involves significant in-person engagement at workshops around the world. As travel restrictions caused by Covid-19 eased this period, the team recommenced in-country capacity-building activities, including table-top exercises and drafting standard operating procedures, as well as continuing its work with CNS to develop customised training materials for remote online delivery to states and private sector entities in the maritime field, which have been translated into French and Spanish. 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 continued its work 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 substantive dialogues on mitigating military incidents at sea and reinvigorating the call for urgent maritime confidence building and crisis-avoidance measures in the Asia-Pacific and develops policy recommendations for risk reduction in the maritime domain.



Bahamas Workshop, April 2023



Philippines Regional Group March 2023

#### Cross-organisation activities

Over this period staff published analysis on a range of topics across the field of peace and security in *Trust & Verify*. These included current and emerging issues in WMD, emerging technology, conflicts, communication, and law.

- The 10th NPT Review Conference and nuclear disarmament verification
- Post-quantum cryptography
- Modelling North Korea's enrichment programme
- A US perspective on how to mitigate risks of illicit diversion of weapons and conflict escalation when arming Ukraine
- The UNSGM Capstone Exercise: Simulating a biological weapons investigation
- VERTIC's National Implementation Measures programme in support of BWC implementation since the Eighth Review Conference
- Addressing misconceptions about chemical and biological weapons and related legal frameworks
- Showcasing new work on irreversibility in nuclear disarmament
- North Korean operations of the Experimental Light Water Reactor
- Can the BTWC and CWC prevent weaponization of toxins and bioregulators
- Federated States of Micronesia brings criminal proceedings against fraudulent ship registry scheme
- North Korea accelerates vessel purchases despite UN Security Council sanctions
- VERTIC and UNIDIR develop BWC National Implementation Database
- The Chemical Weapons Convention Fifth Review Conference: challenges and outcomes
- UN Security Council unanimously reaffirms support for UNSCR 1540

#### *Events, presentations, lecturers and partners*

Staff continued to advance VERTIC's mission through a variety of other activities. VERTIC staff presented on-line and in-person events hosted by other organisations on arms control, disarmament and non-proliferation throughout the year. These events were hosted by organisations such as on the future of

safeguards at the IAEA, the NPT at Wilton Park, ESARDA Verification Technologies and Methodologies Working Group, Alva Myrdal Centre Annual conference in Uppsala and at KCL. VERTIC also presented at CBWNet on “Chemical and Biological Weapons: the Interconnectivity of Norms” and attended a workshop organised by the Centre for the Study of Existential Risk on the “Ninth Review Conference of the Biological Weapons Convention: Where Next for the UK?” A staff member presented a paper on the role of African governments in implementing and universalising the Treaty on the Prohibition of Nuclear Weapons (TPNW), at a regional seminar hosted by South Africa’s Department of International Relations and Cooperation, in collaboration with the International Committee of the Red Cross.

Staff gave guest lectures on international law to university courses, such as the Nuclear Energy Agency’s International Nuclear Law Essentials programme and to the panel on autonomous weapon systems at the 2022 Conference on Robotic Learning on 15 December 2022 in Auckland, New Zealand.

Staff continued helping the community through their membership, or chairing of working groups, of bodies such the European Safeguards Research and Development Association, New Zealand Disarmament and Security Centre; New Zealand Autonomous Weapons Systems Working Group; the Asia-Pacific Leadership Network for Nuclear Non-Proliferation and Disarmament.

### **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 2,175,373 for the year ended 31 October 2023 (2022: £1,212,902). Of this, £1,783,473 (2022: £1,164,000) were restricted funds and £391,900 (2022: £48,902) were unrestricted funds. Income is recorded on grant registers by donor and programme.

Details of the restricted project funds are given in note 13 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 2023 is £370,000 (2022: £261,000). 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, and the Board and Senior VERTIC Management regularly review the range of identified risks to VERTIC, and takes actions accordingly. Each VERTIC Programme and Project also has specific risk identification and management procedures.

## **Structure, governance and management**

### **Constitution**

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 meets regularly and from time to time convenes sub-committees to perform specific delegated duties.

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 10 staff as at 31 October 2023. The Chief Executive Officer (referred to as the 'Executive Director') 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 by Programme Directors. The Programme Directors are responsible for managing their programmes and the day-to-day implementation and supervision of projects as well as fundraising. 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 an annual salary review in consultation with the finance staff. 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 the focus and direction of the charity.

### **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



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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.

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 30<sup>th</sup> July 2024 and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'Owen Greene', enclosed within a hand-drawn oval.

Dr Owen Greene, Chair  
Trustee

### **Opinion**

We have audited the financial statements of The Verification Research Training and Information Centre (VERTIC) (the 'Charity') for the year ended 31 October 2023 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 2023 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.

### **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.
- 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**

**Date: 31 July 2024**

**The Verification Education Training and Education Centre (VERTIC)**  
**Statement of Financial Activities**  
**(Incorporating an Income and Expenditure Account)**  
**For the year ended 31 October 2023**

	Note	Unrestricted £	Restricted £	2023 Total £	2022 Total £
<b>Income :</b>					
Total Income	<b>3</b>	391,900	1,783,473	2,175,373	1,212,902
<b>Total income</b>		391,900	1,783,473	2,175,373	1,212,902
<b>Expenditure on:</b>					
Raising funds		20,831	-	20,831	15,686
Charitable activities:		441,284	1,014,668	1,455,952	1,029,615
<b>Total expenditure</b>	<b>4</b>	462,115	1,014,668	1,476,783	1,045,301
<b>Net Income (Expenditure for the year)</b>		(70,215)	768,805	698,590	167,601
Transfers between funds		356,695	(356,695)	-	-
<b>Net income / (expenditure) before other recognised gains and losses</b>		286,480	412,110	698,590	167,601
Unrealised Gain / (Loss)		-	-	-	(986)
Gains / (losses) on fixed assets		-	-	-	-
Foreign exchange gains / (losses)		(50,643)	(2,473)	(53,116)	109,521
<b>Net movement in funds</b>		235,837	409,637	645,474	276,136
<b>Reconciliation of funds:</b>					
Total funds brought forward		986,748	-	986,748	710,612
<b>Total funds carried forward</b>	<b>13</b>	1,222,585	409,637	1,632,222	986,748

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 22-32 form part of these financial statement

**The Verification Education Training and Information Centre (VERTIC)**  
**Balance Sheet**  
**As at 31 October 2023**

	<b>Note</b>	<b>2023</b> £	<b>2023</b> £	<b>2022</b> £	<b>2022</b> £
<b>Fixed assets:</b>					
Tangible assets	<b>8</b>		3,353		5,633
			3,353		5,633
<b>Current assets:</b>					
Debtors	<b>9</b>	397,177		102,314	
Cash at bank and in hand	<b>16</b>	1,722,480		1,857,995	
		2,119,657		1,960,309	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	<b>10</b>	(490,788)		(979,194)	
<b>Net current assets</b>			1,628,869		981,115
<b>Total assets less current liabilities</b>			1,632,222		986,748
			2		
<b>Total net assets</b>			1,632,222		986,748
<b>Charity Funds</b>					
Restricted funds	<b>13</b>		409,637		-
			1,222,585		
Unrestricted funds	<b>13</b>		5		986,748
<b>Total funds</b>			1,632,222		986,748
			2		

The charity's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the Trustees on the 30<sup>th</sup> July 2024 and signed on their behalf, by:



Dr Owen Greene, Chair

The notes on pages 22-32 form part of these financial statement.

	Not e	2023 £	2023 £	2022 £	2022 £
<b>Cash flows from operating activities:</b>					
Net cash provided by / (used in) operating activities	15		(80,792)		211,657
<b>Cash flows from investing activities:</b>					
Interest/ rent/ dividends from investments					
Sale/ (purchase) of fixed assets		(1,607)		(3,549)	
Other gains / (loss) of fixed assets		-		-	
Unrealised gains/ (losses)					
<b>Cash provided by / (used in) investing activities</b>			(1,607)		(3,549)
<b>Cash provided by / (used in) financing activities</b>					
			-		-
<b>Change in cash and cash equivalents in the year</b>			(82,399)		208,108
Cash and cash equivalents at the beginning of the year			1,857,995		1,540,366
Change in cash and cash equivalents due to exchange rate movements			(53,116)		109,521
<b>Cash and cash equivalents at the end of the year</b>	16		1,722,480		1,857,995

The notes on pages 22-32 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.

**2. Detailed comparatives for the statement of financial activities**

	2022 Unrestricted £	2022 Restricted £	2022 Total £
<b>Income from:</b>			
Donations and legacies	48,902	-	48,902
Charitable activities	-	1,164,000	1,164,000
Investment Activities	-	-	-
Other Income	-	-	-
<b>Total income</b>	<b>48,902</b>	<b>1,164,000</b>	<b>1,212,902</b>
<b>Expenditure on:</b>			
Raising funds	15,686	-	15,686
Charitable activities:	163,179	866,436	1,029,615
<b>Total expenditure</b>	<b>178,865</b>	<b>866,436</b>	<b>1,045,301</b>
<b>Net income / expenditure</b>	<b>(129,963)</b>	<b>297,564</b>	<b>167,601</b>
Transfers between funds	298,731	(298,731)	
<b>Net income / (expenditure) before other recognised gains and losses</b>	<b>168,768</b>	<b>(1,167)</b>	<b>167,601</b>
Unrealised Gain / (Loss)	(986)		(986)
Gains / (losses) on fixed assets	-	-	-
Foreign exchange gains/(loses)	108,354	1,167	109,521
<b>Net movement in funds</b>	<b>276,136</b>	<b>-</b>	<b>276,136</b>
<b>Reconciliation of</b>			

**The Verification Research Training and Information Centre (VERTIC)**  
**Notes to the Financial Statement**  
**For the year ended 31 October 2023**

**funds:**

Total funds brought forward	710,612	-	710,612
<b>Total funds carried forward</b>	<b>986,748</b>	<b>-</b>	<b>986,748</b>

**3. Total Income**

	Unrestricted	Restricted	2023 Total	2022 Total
	£	£	£	£
Charitable activities	290,620	1,783,473	2,074,093	1,164,407
Donations and Legacy	64,551	-	64,551	48,495
Investments	5,948	-	5,948	-
Other Income	30,781	-	30,781	-
<b>Total income</b>	<b>391,900</b>	<b>1,783,473</b>	<b>2,175,373</b>	<b>1,212,902</b>

**4**

**Analysis of expenditure**

	Basis of allocation	Support cost	Governance costs	Raising Funds	Charitable activities	2023	2022
		£	£	£	£	£	£
Charitable Activities	Direct	-	-	-	640,131	640,131	258,499
Legal & Professional Auditor's remuneration	Direct	-	1,317	-	-	1,317	7,439
	Direct	-	7,132	-	-	7,132	7,500
Salaries	Direct	69,436	-	20,831	604,095	694,362	680,072
Staff welfare	Direct	7,583	-	-	-	7,583	14,380
Project cost	Direct	-	-	-	-	-	7,065
Office overheads	Staff	14,235	-	-	-	14,235	-
Insurance	Staff	1,710	-	-	-	1,710	789
PPS	Staff	10,828	-	-	-	10,828	946
Refreshments	Staff	-	-	-	-	-	249
Subscriptions	Staff	976	-	-	-	976	9,930
Rent	Staff	54,395	-	-	-	54,395	49,723
Rates	Staff	-	-	-	-	-	939
Bank charges	Staff	-	-	-	-	-	791
Governance	Staff	-	40,227	-	-	40,227	1,170
Depreciation	Staff	3,887	-	-	-	3,887	5,809
		163,050	48,676	20,831	1,244,226	1,476,783	1,045,301
Support costs		(163,050)			163,050		
Governance costs			(48,676)		48,676		
<b>Total expenditure 2023</b>		<b>-</b>	<b>-</b>	<b>20,831</b>	<b>1,455,952</b>	<b>1,476,783</b>	

**The Verification Research Training and Information Centre (VERTIC)**  
**Notes to the Financial Statement**  
**For the year ended 31 October 2023**

<b>Total expenditure 2022</b>	<b>15,686</b>	<b>1,029,615</b>	<b>1,045,301</b>
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Of the total expenditure £462,115 was unrestricted (2022: £178,865) and £1,014,668 was restricted (2022: £866,436).

**5. Net income / (expenditure) for the year**

This is stated after charging / (crediting):

	2023	2022
	£	£
Depreciation	3,887	5,809
Auditor's remuneration	6,500	6,500
Projects audit	1,000	1,000
Pension costs	28,405	28,905
Unrealised (gains) / losses	-	986
Foreign exchange (gains) / losses	53,116	(109,521)

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

Staff costs were as follows:	2023	2022
	£	£
Salaries and wages	597,173	590,421
Social security costs	68,784	60,746
Pension contributions	28,405	28,905
	<u>694,362</u>	<u>680,072</u>

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

	2023	2022
	No.	No.
£60,000 - £69,999	3	2
£70,000 - £79,999	2	1

The total employee benefits including pension contributions of the key management personnel were £358,979 (2022: £324,237).

**Staff numbers**

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

	2023	2022
Raising funds		
Charitable activities	11	11
Support	1	1

**The Verification Research Training and Information Centre (VERTIC)**  
**Notes to the Financial Statement**  
**For the year ended 31 October 2023**

Governance	1	1
	<u>13</u>	<u>13</u>

**7. Taxation**

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

**8. Tangible fixed assets**

	Computer Equipment £	Fixtures & Fittings £	Total £
At the start of the year	36,502	2,156	38,658
Additions in year	1,607	-	1,607
Disposals in year	-	-	-
At the end of the year	<u>38,109</u>	<u>2,156</u>	<u>40,265</u>

**Depreciation**

At the start of the year	30,869	2,156	33,025
Charge for the year	3,887	-	3,887
Eliminated on disposal	-	-	-
At the end of the year	<u>34,756</u>	<u>2,156</u>	<u>36,912</u>

**Net book value**

<b>At the end of the year</b>	<u>3,353</u>	<u>-</u>	<u>3,353</u>
At the start of the year	<u>5,633</u>	<u>-</u>	<u>5,633</u>

All of the above assets are used for charitable purposes.

**9. Debtors**

	2023 £	2022 £
Trade debtors	55,288	22,320
Accrued income	341,548	73,391
Prepayments	<u>341</u>	<u>6,603</u>
	<u>397,177</u>	<u>102,314</u>

**10. Creditors: amounts falling due within one year**

	2023 £	2022 £
Trade creditors	53,157	4,172
Taxation and social security	16,668	11,246
Other creditors	8,175	1,903
Accruals	151,877	87,659

**The Verification Research Training and Information Centre (VERTIC)**  
**Notes to the Financial Statement**  
**For the year ended 31 October 2023**

Deferred income	260,911	874,214
	490,788	979,194

**Deferred Income**

	2023	2022
	£	£
Balance at the beginning of the year	874,214	816,720
Amount released to income in the year	(874,214))	(816,720)
Amount deferred in the year	260,911	874,214
Balance at the end of the year	260,911	874,214

£260,911 of charitable activity income recognised in 2023 has been deferred at year-end to project costs to be incurred in 2024.

**11. Analysis of net assets between funds - current year**

	Unrestricted	Restricted	Total funds
	£	£	£
Tangible fixed assets	3,353	-	3,353
Current assets	1,486,643	633,014	2,119,657
Current liabilities	(267,411)	(223,377)	(490,788)
<b>Net assets at the end of the year</b>	<b>1,222,585</b>	<b>409,637</b>	<b>1,632,222</b>

**12. Analysis of net assets between funds - prior year**

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

**13. Movements in funds - current year**

	Balance at 01 November 2022	Income	Expenditure	Transfer in/out	Unrealised gains / losses	Balance at 31 October 2023
<b>Unrestricted Funds</b>						
General Funds	986,748	391,900	(462,115)		(50,643)	1,222,585

**The Verification Research Training and Information Centre (VERTIC)**  
**Notes to the Financial Statement**  
**For the year ended 31 October 2023**

				356,695		
Total unrestricted funds	986,748	391,900	(462,115))	356,695	(50,643)	1,222,585
Restricted funds						
NIM programme	-	838,781	(336,827)	(167,756)	49	334,247
VM programme	-	944,693	(677,841)	(188,939)	(2,523)	75,390
Total restricted funds	-	1,783,474	(1,014,668)	(356,695)	(2,474)	409,637
Total funds	986,748	2,175,373	(1,476,783)	-	(53,116)	1,632,222

**Restricted funds:**

NIM - National Implementation Measures programme

VM - Verification and Monitoring Programme

**14. Movements in funds - prior year**

	Balance at 1 November 2022	Income	Expenditure	Transfer in/out	Unrealised gains / losses	Balance at 31 October 2022
Unrestricted Funds						
General funds	710,612	48,902	(178,865)	298,731	107,368	986,748
Total unrestricted 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)	-	-
Total restricted funds	-	1,164,000	(866,436)	(298,731)	1,167	-
Total funds	710,612	1,212,900	(1,045,301)	-	108,535	986,748



**The Verification Research Training and Information Centre (VERTIC)**  
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**For the year ended 31 October 2023**

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VERTIC is extremely grateful for the continuing support from our funders to list a few, the Foreign Commonwealth & Development Office £123,762, Norwegian Ministry Of Foreign Affairs £78,743, the US State Department £84,242 and Kings College London £70,000.

During the year, £356,695 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**

	2023	2022
	£	£
<b>Net income / (expenditure) for the reporting period</b>	698,590	167,601
<b>(as per the statement of financial activities)</b>		
Depreciation	3,887	5,809
Unrealised (gains)/ losses	-	(986)
(Increase)/ decrease in debtors	(294,863)	37,774
Increase/ (decrease) in creditors	(488,406)	1,459
<b>Net cash provided by / (used in) operating activities</b>	<b>(80,792)</b>	<b>211,657</b>

**16. Analysis of cash and cash equivalents**

	At 1 November 2022	Cash flows	Other chang es	At 31 October 2023
	£	£	£	£
Cash at bank and in hand	1,857,995	(135,515)	-	1,722,480
<b>Total cash and cash equivalents</b>	<b>1,857,995</b>	<b>(135,515)</b>	<b>-</b>	<b>1,722,480</b>

**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 £33,726 (2022 - £28,905) of which £2,794 (2022- £1,903) was payable at the year end.

**18. Operating lease commitments**

At 31 October 2023 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

<b>Amounts payable:</b>	<b>2023</b>	<b>2022</b>
Within 1 year	20,810	49,944
Between 1 and 5 years	33,220	20,810
	<u>54,030</u>	<u>70,754</u>

**19. Trustee remuneration and benefits**

During the year, no trustees (2022 – 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.