

Company Registration Number: NI026500
Charity Registration Number: 101482

The Verbal Arts Centre (Northern Ireland) Limited
(Charitable Company Limited by Guarantee)

Annual Report and Audited Financial Statements

For the year ended 31 March 2023

CavanaghKelly
Chartered Accountants and Statutory Auditors
36-38 Northland Row
Dungannon
Co Tyrone
BT71 6AP

The Verbal Arts Centre (Northern Ireland) Limited
(Charitable Company Limited by Guarantee)

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The Verbal Arts Centre (Northern Ireland) Limited
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GENERAL INFORMATION

Board of Directors

Joseph Mark Moroney (*resigned 31 January 2023*)
Padraig Canavan (*resigned 31 January 2023*)
Patrick Gerald Cleary (*resigned 12 May 2023*)
Steven Lindsay
June Elizabeth Coates
Jason Alexander McIntosh
Valerie Jane Dinsmore
Ciara Hanley
Paul Anthony Healy
Dr Catherine McDonnell (*appointed 29 July 2022*)

Company Secretary

James Kerr

Chief Executive

James Kerr

Registered Office

Stable Lane and Mall Wall
Bishop Street Within
Derry/Londonderry
BT48 6PU

Company Registration Number

NI026500

Charity Registration Number

101482

Independent Auditors

CavanaghKelly
Chartered Accountants and Statutory Auditors
36 - 38 Northland Row
Dungannon
Co Tyrone
BT71 6AP

Solicitors

Mark Reid Solicitor
2A Woodburn Park
Lisnagelvin
Waterside
Derry/Londonderry
BT47 5PS

Bankers

Allied Irish Banks
Meadowbank
143-145 Strand Road
Derry/Londonderry
BT48 7TN

The Verbal Arts Centre (Northern Ireland) Limited
(Charitable Company Limited by Guarantee)

DIRECTORS' REPORT for the year ended 31 March 2023

The Directors, who are the trustees for the purpose of charity law, have pleasure in presenting their report and the audited financial statements of the charitable company for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (FRS 102), United Kingdom Generally Accepted Accounting Practice, the Charities Act (Northern Ireland) 2008 and the Companies Act 2006.

Reference and Administration Details

The reference and administration details of the charitable company are as shown on page 3.

The Chief Executive was responsible for the supervision of the day-to-day operations of the charitable company throughout the year.

Objectives and Activities

The Verbal Arts Centre (Northern Ireland) Limited which now trades under the name "Verbal" is recognised and acknowledged as the main centre for literature/language arts development and storytelling on the island of Ireland.

The Centre continues to promote creative activity under the organisational vision of "A world where every story matters".

The vision statement conveys the organisation's ambition and continuous direction of travel in respect of what it wishes to achieve.

Our vision places an emphasis on the fundamental tenet upon which Verbal is based which is that making and listening to stories are the primary tools available to all that we use to make meaning of the world around us.

Verbal actively works to address persistent resource and access disadvantages among deprived and marginalised communities (either geographic or of interest) which prevent, restrict or deny individuals and communities from telling their stories and having them heard compounding poverty, inequality, discrimination, injustice and isolation.

Verbal continues to focus on the intersectionality between marginalisation/vulnerability and mental health & emotional wellbeing. Our vision statement makes specific reference to wellbeing in its mission statement; "Using our unique multi-disciplinary approach to the art of storytelling Verbal works in partnership to enhance well-being among individuals & communities."

The principles of partnership working and interdisciplinary delivery in the service of art, storytelling and wellbeing remain of central importance to Verbal.

We continue to use storytelling & story making either in the form of publishing, commissioning writers, creative production or reading aloud to provide those most disadvantaged, those who are seldomly listened, with the opportunity to:

1. Challenge the assumptions and prejudices of everyday life;
2. Raise questions and insights regarding the living conditions and circumstances of the vulnerable and marginalised;
3. Encourage reconsideration of what is "taken for granted"; and
4. Propose new and better ways to improve the quality of life of those most in need.

The Verbal Arts Centre (Northern Ireland) Limited
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DIRECTORS' REPORT for the year ended 31 March 2023 (Continued)

Our focus on Mental health & emotional wellbeing through storytelling and bibliotherapy consists of several components, including: the ability to support participants to recognise different types of psychological distress, transfer through stories knowledge and beliefs about risk factors and causes as well as knowledge and beliefs about self-help interventions; and reflect upon attitudes which facilitate recognition and appropriate help-seeking.

Reflecting the uniqueness of the organisation 2022/23 saw Verbal continue to refine on an iterative basis how we develop and deliver the annual programme of work. We maintained the 3 different delivery categories below:

THEME	Description
PREVENTION	We use storytelling and creative activities to address the determinants of mental health & wellbeing problems before a specific issue has been identified in an individual or group.
INTERVENTION	We use storytelling and creative activities which focus on reducing the progress of poor mental health and improving emotional wellbeing.
RECOVERY	We use storytelling and creative activities to empower and enable people to self-manage their own mental and emotional wellbeing through creative activities.

Our work is divided into 3 departments

1. Adults & Communities
2. Children & Young People
3. Publishing

We deliver our work across 4 programmes

1. Verbal Wellbeing
2. Storyteller Recovery
3. Story exchange
4. Events & publishing

Verbal Wellbeing works with Primary school children (aged 4-11), Post Primary (aged 11-16 integrated into English curriculum) and Adult Community mental health and is a Mental Health Literacy/prevention programme.

Storyteller Recovery is a participation-based programme of multi-arts storytelling activities that combine language arts/verbal skills-based learning to create a dedicated 'safe' space for adults on a journey of recovery and wellbeing. Verbal also delivers as specialist Storyteller Recovery programme for ex-offenders.

Story Exchange works with social housing communities and aims to develop facilitated cross community conversations that support the development of shared community cohesion.

In relation to publishing & events the aims of our activities are to:

1. support writers to showcase their work and develop new audiences/readerships
2. commission new work from local writers (poetry & prose) for new audiences
3. commission critical responses to reading

Verbal continues to publish the Honest Ulsterman magazine of new writing which is the longest continuous magazine of new writing in Europe starting in 1968. The magazine is published quarterly and showcases at least 50 literature-based articles/interviews/features per issue. Alongside an open submission poetry and short story element giving approximately 200 local writers per year, established & emerging a platform for their work. Verbal also produces and manages the Human archive which makes accessible previously published creative writing from many short run literary publications.

The Verbal Arts Centre (Northern Ireland) Limited
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DIRECTORS' REPORT for the year ended 31 March 2023 (Continued)

Public Benefit Statement

The Directors of The Verbal Arts Centre (Northern Ireland) Limited confirm that they have complied with their duty under section 4(6) of the Charities Act (Northern Ireland) 2008 to have regard to the Charity Commission for Northern Ireland's guidance on public benefit and that the public benefit requirement has informed the activities of the charitable company in the year ended 31 March 2023.

Achievements and Performance

A sample of achievement highlights in the year are noted below:

Activity levels for Verbal Wellbeing continued to grow across Northern Ireland, the Republic of Ireland and Great Britain.

This year working in close partnership with statutory bodies and public agencies, Verbal's annual programme was delivered with and to:

- Looked After Children
- Young people aged 16+ on the edge of care or at risk
- Social housing communities experiencing community tension
- Older people experiencing social isolation
- Adults with mental health issues
- Communities living at interfaces

Verbal continues to accelerate its digital programme bringing on additional software development skills into the organisation. Along with this Verbal has created a stable digital delivery platform which is ready to roll out next year.

The level of internal Psychology and Literature expertise continues to grow with the recruitment of post-doctoral staff who are integrated with the existing creative team.

Storyteller Recovery was rolled out successfully as a regional programme of creative recovery based activity working right across Northern Ireland.

Story exchange worked intensively with multiple communities living on interface areas in Belfast.

Honest Ulsterman saw a year-on-year growth in its readership.

The Verbal Arts Centre (Northern Ireland) Limited
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DIRECTORS' REPORT for the year ended 31 March 2023 (Continued)

Financial Review

Financial Performance

The financial performance was in line with the Board of Director's expectations. The charitable company remains in a sound financial position at the year end. The results for the year are set out in detail on pages 14 to 29. The charitable company made net outgoing resources for the year of £119,515 (2022 – net incoming resources of £325,114).

At 31 March 2023, the total funds of the charity amounted to £1,643,176 (2022: £1,762,691) comprising restricted funds of £83,950 (2022: £117,227), designated funds of £300,000 (2022: £300,000) and unrestricted funds of £1,259,226 (2022: £1,345,464). Principal sources of funding and how this has supported the key objectives of the charitable company are disclosed in the notes to the financial statements.

Reserves Policy

The charitable company has free reserves of £374,631 (2022: £430,389) which represents 6 months (2022: 25 months) unrestricted expenditure on charitable activities. The Directors believe that it is prudent to work towards holding 6 months funding.

The main reason for holding reserves is to ensure that the charity has enough resources to fund the programmes it is supporting and to meet any emergencies that may arise. For this purpose the charitable company is holding £300,000 in designated funds (2022: £300,000).

Risk Management

The Board of Directors has conducted a review of the key risks facing the charity and has established a strategic plan and procedures to manage those risks. Continuous external risks in relation to funding have led to the development of a structured approach which allows for the longer-term diversification of funding and activities. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects and to ensure consistent quality of delivery for all operational aspects of the charity.

Plans for Future Periods

The 5 key areas that the Directors are focused on:

1. Create and implement the conditions for the digital product to thrive and co-exist alongside the charity's programmes; specifically:
 - Getting Verbal ready to manage the difficult transition period inherent in operating both a project led and product led organisation.
2. Accelerate income diversity and growth of unrestricted income; specifically:
 - Resourcing the distribution and dissemination of the digital delivery model (Verbal Wellbeing) to better meet existing needs and introduce the potential of scale.
3. Provide clarity of management and accountability; specifically:
 - Commencing a change process from project based to service delivery-based organisation to address sustainability challenges and maintain quality.
4. Promote staff development and retention; specifically:
 - Reviewing the organisation's current delivery structure; and
 - Continuing to build a high quality existing interdisciplinary staff team that supports the development of evidence based creative storytelling programming.
5. Build and maintain a wide network of statutory and non-statutory partnerships; specifically:
 - Continue to innovate using storytelling and psychology to bridge the gap in provision that exists for individuals and communities in respect of emotional wellbeing services.

The Verbal Arts Centre (Northern Ireland) Limited
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DIRECTORS' REPORT for the year ended 31 March 2023 (Continued)

Structure, Governance and Management

Organisational Structure

The charitable company is a company limited by guarantee, not having a share capital.

The charitable company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

In accordance with the Articles of Association, the members to retire by rotation shall be those who have been longest in office since their last election, and the relevant motion will be put forward at the Annual General Meeting. A retiring member shall be eligible for re-election.

The charitable company is governed by the Board of Directors. None of the Directors have any beneficial interest in the charitable company. Any person wishing to become a director must apply in writing prior to the annual general meeting. A vote is then taken at the annual general meeting as to whether that person is appointed.

Directors

The Directors during the year are the same as the Directors as listed on page 3.

Taxation Status

The charitable company is recognised as a charity by HM Revenue & Customs. Accordingly, the charitable company has availed of the exemptions contained in Chapter 3 Part 11 Corporation Taxes Act 2010 and Section 256 Taxation of Chargeable Gains Act 1992.

Directors' Responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Directors to prepare financial statements for each financial year, which 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 apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102);
- make judgements and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Directors are responsible for keeping adequate accounting records that 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.

Funds held as custodian trustees on behalf of others

The charity holds no funds as custodian- trustees on behalf of others.

The Verbal Arts Centre (Northern Ireland) Limited
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DIRECTORS' REPORT for the year ended 31 March 2023 (Continued)

Statement of Disclosure of Information to Auditor

In so far as the Directors, who held office at the date of approval of these financial statements, are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware;
and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Small Companies Exemption

This report is prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

This report was approved by the Board of Directors on 27 October 2023 and signed on its behalf by:

Registered office:

Stable Lane and Mall Wall
Bishop Street Within
Derry/Londonderry
BT48 6PU

James Kerr
Company Secretary

The Verbal Arts Centre (Northern Ireland) Limited
(Charitable Company Limited by Guarantee)

Company Registration Number: NI026500
Charity Registration Number: 101482

INDEPENDENT AUDITORS' REPORT to the Directors of The Verbal Arts Centre
(Northern Ireland) Limited for the year ended 31 March 2023

Opinion

We have audited the financial statements of The Verbal Arts Centre (Northern Ireland) Limited ('the charitable company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and the related 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's Directors, 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 charitable company's Directors 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 charitable company and the charitable company's Directors as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its total incoming resources and expenditure of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with 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

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

The Verbal Arts Centre (Northern Ireland) Limited
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INDEPENDENT AUDITORS' REPORT to the Directors of The Verbal Arts Centre
(Northern Ireland) Limited for the year ended 31 March 2023 (Continued)

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Directors' 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Directors' Report.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement, the directors (who are also the trustees of the charitable company for the purpose of charity law), 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 the Directors 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 directors are responsible for assessing the company'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 directors either intends to liquidate the charitable company or to cease operations, or has no realistic alternative but to do so.

The Verbal Arts Centre (Northern Ireland) Limited
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INDEPENDENT AUDITORS' REPORT to the Directors of The Verbal Arts Centre
(Northern Ireland) Limited for the year ended 31 March 2023 (Continued)

Auditor's 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 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. The objectives of our audit in respect of fraud are to assess the risk of material misstatement due to fraud, design and implement appropriate responses to those assessed risks and to respond appropriately to instances of fraud or suspected fraud identified during the course of our audit. However, the primary responsibility for the prevention and detection of fraud rests with management and those charged with governance of the company.

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 obtained an understanding of the legal and regulatory requirements applicable to the charitable company's financial statements and considered the most significant are the Companies Act 2006 and Financial Reporting Standards (FRS102);
- We have assessed the risk of material misstatement of the financial statements, including risk of material misstatement due to fraud and how it might occur by holding discussions with management and those charged with governance;
- We enquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations;
- Understanding the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations; and
- Discussions amongst the audit engagement team regarding how fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, we identified the following potential areas where fraud may occur: timing of revenue recognition and management override.

The audit response to risks identified included:

- Reviewing the financial statements disclosures and testing to supporting documentation to assess compliance with the relevant laws and regulations above;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risk of material misstatement due to fraud;
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments, assessing whether the judgements made in making accounting estimates are reasonable and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and

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INDEPENDENT AUDITORS' REPORT to the Directors of The Verbal Arts Centre
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- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments, assessing whether the judgements made in making accounting estimates are reasonable and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Mr. Ryan Falls FCA (Senior Statutory Auditor)
For and on behalf of
CAVANAGHKELLY

Chartered Accountants and Statutory Auditors
36 – 38 Northland Row
Dungannon
Co. Tyrone
BT71 6AP

Date: 27 October 2023

The Verbal Arts Centre (Northern Ireland) Limited
(Charitable Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Including an income & expenditure account)
For the year ended 31 March 2023

	Note	Unrestricted Funds 2023	Restricted Funds 2023	Designated Funds 2023	Total Funds 2023	Unrestricted Funds 2022	Restricted Funds 2022	Designated Funds 2022	Total Funds 2022
		£	£	£	£	£	£	£	£
INCOME AND ENDOWMENTS									
Charitable Activities	3	622,094	381,696	-	1,003,790	549,588	892,163	-	1,441,751
Other Trading Activities	3	12,176	-	-	12,176	3,008	-	-	3,008
TOTAL INCOME AND ENDOWMENTS		634,270	381,696	-	1,015,966	552,596	892,163	-	1,444,759
RESOURCES EXPENDED									
Charitable Activities	4	(757,943)	(377,538)	-	(1,135,481)	(208,970)	(910,675)	-	(1,119,645)
TOTAL RESOURCES EXPENDED		(757,943)	(377,538)	-	(1,135,481)	(208,970)	(910,675)	-	(1,119,645)
Net incoming/ (outgoing) resources for the year		(123,673)	4,158	-	(119,515)	343,626	(18,512)	-	325,114
Transfers between funds		37,435	(37,435)	-	-	(244,835)	(55,165)	300,000	-
Balance brought forward		1,345,464	117,227	300,000	1,762,691	1,246,673	190,904	-	1,437,577
Balance carried forward		1,259,226	83,950	300,000	1,643,176	1,345,464	117,227	300,000	1,762,691

The above Statement of Financial Activities includes all information as required to be disclosed by the Companies Act 2006.

All of the activities of the charitable company are classed as continuing.

The Statement of Financial Activities includes all gains and losses recognised during the year.

The notes on pages 17 to 29 form an integral part of these financial statements.

The Verbal Arts Centre (Northern Ireland) Limited
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STATEMENT OF FINANCIAL POSITION as at 31 March 2023

	Note	2023 £	2022 £
Fixed Assets			
Property, Plant and Equipment	8	884,595	915,075
Current Assets			
Receivables	9	327,092	611,169
Cash and Cash Equivalents		601,234	315,137
		928,326	926,306
Payables: amounts falling due within one year	10	(169,745)	(78,690)
Net Current Assets		758,581	847,616
Net Assets	11	1,643,176	1,762,691
REPRESENTED BY:		£	£
Unrestricted Funds	12	1,259,226	1,345,464
Restricted Funds	12	83,950	117,227
Designated Funds	12	300,000	300,000
Total Funds	12	1,643,176	1,762,691

These financial statements have been prepared in accordance with the provisions applicable to the small companies' regime within Part 15 of the Companies Act 2006.

The notes on pages 17 to 29 form an integral part of the financial statements.

These financial statements were approved and authorised for issue by the Board of Directors on 27 October 2023 and signed on their behalf by:

Director
Dr Catherine McDonnell

Director
Paul Anthony Healy

Company Registration Number: NI026500
Charity Registration Number: 101482

The Verbal Arts Centre (Northern Ireland) Limited
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STATEMENT OF CASH FLOWS
For the year ended 31 March 2023

	2023	2022
	£	£
Cash flows from operating activities		
(Deficit)/Surplus for the year	(119,515)	325,114
Adjustments for:		
Depreciation	42,015	46,682
	(77,500)	371,796
Movements in working capital:		
Movement in receivables	284,077	(297,535)
Movement in payables	91,055	(43,042)
	375,132	(340,577)
Net cash generated/(used in) from operating activities	297,632	31,219
Cash flows from investing activities		
Payments to acquire property, plant and equipment	(11,535)	(16,953)
Net increase/(decrease) in cash and cash equivalents	286,097	14,266
Cash and cash equivalents at beginning of financial year	315,137	300,871
Cash and cash equivalents at end of financial year	601,234	315,137

Cash and cash equivalents consists of:

	2023	2022
	£	£
Cash at bank and in hand	601,234	315,137

The Verbal Arts Centre (Northern Ireland) Limited
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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2023

1. GENERAL INFORMATION

The Verbal Arts Centre (Northern Ireland) Limited is a charitable company limited by guarantee incorporated in Northern Ireland. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charitable company. The address of the registered office is as shown on page 3.

The charitable company constitutes a public benefit entity as defined by FRS 102.

The financial statements are stated in £ sterling which is the functional currency of the charitable company.

2. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the charitable company's financial statements.

2.1 Statement of Compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2019 (Second Edition), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act (Northern Ireland) 2008 and the Companies Act 2006.

2.2 Basis of Preparation

The financial statements have been prepared under the historical cost convention unless otherwise stated in the relevant accounting policy. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the charitable company's financial statements.

2.3 Going concern

The financial statements are prepared on a going concern basis. Taking account of the risk review undertaken by the directors, they do not consider there to be a risk to the going concern status of the charitable company.

2.4 Income and Endowments

(i) Other Trading Activities

Voluntary income includes incoming resources from gifts, donations and grants and is recognised in full in the Statement of Financial Activities when receivable. Activities for generating funds are commercial activities which are recognised as earned when the related goods and services are provided.

The Verbal Arts Centre (Northern Ireland) Limited
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NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2023

2. ACCOUNTING POLICIES (Continued)

2.4 Income and Endowments (Continued)

(ii)Charitable Activities

Incoming resources from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions. Income will only be recognised as the specified goods and services have been provided by the charity. Grant income included in this category provides funding to support projects and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

2.5 Resources Expended

Expenditure is recognised when a liability is incurred. Contractual arrangements and performance related grants are recognised as goods and services are supplied. Where costs cannot be directly attributed to a particular heading they have been allocated to activities on a basis consistent with use of resources. Staff costs and overhead expenses are allocated to activities on the basis of staff time spent on those activities.

(i)Charitable Activities

This comprises all the resources applied by the charity in undertaking its work to meet its charitable objectives. Charitable activities will include the costs of governance arrangements which relate to the general running of the charity.

(ii)Support Costs

Support costs include the central office functions such as general management, payroll administration, budgeting and accounting, information technology, human resources and financing. These have been allocated to charitable activities, costs of generating funds and governance costs on a basis consistent with the use of these resources.

2.6 Fund Accounting

The charity has two types of funds for which it is responsible at the year end:

Unrestricted Funds – Funds which are expendable at the discretion of the directors in furtherance of the objectives of the charity. In addition, funds may be held in order to finance capital investment and working capital.

Restricted Funds – Income received for specific purposes. Such purposes are within the overall aims of the charity.

Designated Funds – Funds that have been specifically earmarked by the charity towards its reserves policy. The charity aims to maintain reserves of up to six months expenditure.

The Verbal Arts Centre (Northern Ireland) Limited
(Charitable Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2023

2. ACCOUNTING POLICIES (Continued)

2.7 Property, Plant and Equipment and Depreciation

All fixed assets are initially recorded at cost. The cost of fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Fixtures, fittings and equipment	25%	Straight line
Buildings	2%	Straight line
Motor vehicles	25%/33%	Straight line

2.8 Trade and Other Receivables

Trade and other receivables are initially recorded at fair value and thereafter stated at cost less impairment losses for bad and doubtful debts.

2.9 Trade and Other Payables

Trade and other payables are initially recognised at fair value and thereafter stated at cost.

2.10 Taxation

As a charity, the charitable company is not liable to Corporation Tax.

2.11 Pension

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2.12 Financial instruments

The charitable company have chosen to adopt Sections 11 and 12 of FRS102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and amounts owed by group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The Verbal Arts Centre (Northern Ireland) Limited
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NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2023

2. ACCOUNTING POLICIES (Continued)

2.12 Financial instruments (continued)

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the Statement of Financial Activities.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and overdrafts and hire purchase contracts are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

2.13 Critical accounting estimates and judgements

In the application of the charitable company's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revisions affects both current and future periods.

The Verbal Arts Centre (Northern Ireland) Limited
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NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Year Ended 31 March 2023

3. INCOME AND ENDOWMENTS

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £
Income from Charitable Activities			
Arts Council Northern Ireland:			
- Core Funding	-	208,320	208,320
- Equipment funding	-	11,450	11,450
- Covid Funding	-	-	-
- Arts & Older People	-	4,493	4,493
- REAP	-	8,797	8,797
Derry City Council:			
- Core Funding	-	17,000	17,000
SEUPB Peace IV (NIHE)	-	-	-
SEUPB Peace IV (Extern)	-	-	-
Children in Need	-	9,830	9,830
HSE Bibliography Storyteller	-	-	-
PHA Health Integration	-	-	-
Sustaining Communities	-	-	-
The Community Foundation – Prevention Services	-	49,717	49,717
The Next Chapter	-	-	-
Trinity College	-	3,203	3,203
Garfield Weston	-	40,000	40,000
Culture Night	-	300	300
Foyle Foundation	-	20,000	20,000
Verbal Wellbeing:			
- Western Area	-	4,293	4,293
- Belfast Area	-	4,293	4,293
Intervention Services	498,697	-	498,697
Recovery Services	68,850	-	68,850
Reading Rooms	-	-	-
Other	54,547	-	54,547
Total Income from Charitable Activities	622,094	381,696	1,003,790

The Verbal Arts Centre (Northern Ireland) Limited
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NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Year Ended 31 March 2023

3. INCOME AND ENDOWMENTS (Continued)

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £
Other Trading Activities			
Education Fees	1,600	-	1,600
Room Hire	5,186	-	5,186
Equipment Hire	255	-	255
Catering and Refreshments	55	-	55
Media	4,178	-	4,178
Other Income	2	-	2
Donations	900	-	900
Total Income from Other Trading Activities	12,176	-	12,176
Total Income	634,270	381,696	1,015,966

The Verbal Arts Centre (Northern Ireland) Limited
(Charitable Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Year Ended 31 March 2023

3. INCOME AND ENDOWMENTS (Continued)

COMPARATIVE INCOME AND ENDOWMENTS

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £
Income from Charitable Activities			
Arts Council Northern Ireland:			
- Core Funding	-	208,320	208,320
- Equipment funding	-	13,796	13,796
- Covid Funding	50,000	-	50,000
- Arts & Older People	-	-	-
- REAP	-	-	-
Derry City Council:			
- Core Funding	-	17,000	17,000
SEUPB Peace IV (NIHE)	-	259,884	259,884
SEUPB Peace IV (Extern)	-	237,437	237,437
Children in Need	-	39,467	39,467
HSE Bibliography Storyteller	-	2,797	2,797
PHA Health Integration	-	24,795	24,795
Sustaining Communities	-	20,680	20,680
The Community Foundation – Prevention Services	-	49,787	49,787
The Next Chapter	-	18,200	18,200
Trinity College	-	-	-
Garfield Weston	-	-	-
Culture Night	-	-	-
Foyle Foundation	-	-	-
Verbal Wellbeing:			
- Western Area	-	-	-
- Belfast Area	-	-	-
Intervention Services	249,040	-	249,040
Recovery Services	210,548	-	210,548
Reading Rooms	40,000	-	40,000
Other	-	-	-
Total Income from Charitable Activities	549,588	892,163	1,441,751

The Verbal Arts Centre (Northern Ireland) Limited
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NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Year Ended 31 March 2023

3. INCOME AND ENDOWMENTS (Continued)

COMPARATIVE INCOME AND ENDOWMENTS

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £
Other Trading Activities			
Education Fees	(121)	-	(121)
Room Hire	980	-	980
Equipment Hire	130	-	130
Catering and Refreshments	1,844	-	1,844
Media	-	-	-
Other Income	(36)	-	(36)
Donations	211	-	211
Total Income from Other Trading Activities	3,008	-	3,008
Total Income	552,596	892,163	1,444,759

4. RESOURCES EXPENDED

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £
Charitable Activities			
Wages and Salaries	278,558	296,675	575,233
Project Facilitator Fees	252,303	-	252,303
Travel and Subsistence	13,604	2,301	15,905
Arts and Education Program Costs	29,269	20,342	49,611
Membership and Subscriptions	8,315	-	8,315
Printing and Stationery	6,447	22	6,469
Print and design costs	434	597	1,031
Telephone and Postage	6	8,997	9,003
Sundry expenses	35,583	-	35,583
Fundraising and Advertising	-	75	75
Provisions and catering costs	447	-	447
Depreciation	42,015	-	42,015
	666,981	329,009	995,990

The Verbal Arts Centre (Northern Ireland) Limited
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NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Year Ended 31 March 2023

4. RESOURCES EXPENDED (CONTINUED)

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £
Support Costs			
Recruitment Costs	2,492	43	2,535
Staff Training and Development Costs	7,312	495	7,807
Rent and Rates	2,314	-	2,314
Insurance	5,230	7,331	12,561
Computer Costs	27,757	5,545	33,302
Heat and Light	8,304	11,613	19,917
Cleaning	3,492	-	3,492
Repairs and Maintenance	-	17,702	17,702
Bank fees and Interest	1,078	-	1,078
Consultancy	31,085	800	31,885
Legal and Professional fees	3,019	-	3,019
Audit and Accountancy	1,879	5,000	6,879
Bad Debt expense	(3,000)	-	(3,000)
	90,962	48,529	139,491
Total Expenses	757,943	377,538	1,135,481

Comparative Resources Expended

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £
Charitable Activities			
Wages and Salaries	90,110	531,989	622,099
Project Facilitator Fees	31,070	-	31,070
Travel and Subsistence	5,776	9,854	15,630
Arts and Education Program Costs	184	114,161	114,345
Membership and Subscriptions	-	6,688	6,688
Printing and Stationery	3,295	2,133	5,428
Print and design costs	39	1,551	1,590
Telephone and Postage	-	5,503	5,503
Sundry expenses	6,724	26,175	32,899
Fundraising and Advertising	8,890	335	9,225
Provisions and catering costs	1,093	-	1,093
Depreciation	33,871	12,811	46,682
	181,052	711,200	892,252

The Verbal Arts Centre (Northern Ireland) Limited
(Charitable Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Year Ended 31 March 2023

4. RESOURCES EXPENDED (CONTINUED)

Comparative Resources Expended

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £
Support Costs			
Recruitment Costs	-	4,783	4,783
Staff Training and Development Costs	1,077	2,492	3,569
Rent and Rates	-	1,133	1,133
Insurance	-	10,423	10,423
Computer Costs	2,243	22,849	25,092
Heat and Light	2,897	-	2,897
Cleaning	-	5,497	5,497
Repairs and Maintenance	10	12,455	12,465
Bank fees and Interest	-	1,231	1,231
Consultancy	14,947	131,880	146,827
Legal and Professional fees	-	93	93
Audit and Accountancy	-	6,639	6,639
Bad Debt Expense	6,744	-	6,744
	27,918	199,475	227,393
Total Expenses	208,970	910,675	1,119,645

5. NET INCOME FOR THE YEAR

Net income is stated after charging:

	2023 £	2022 £
Depreciation	42,015	46,682
Auditors' remuneration	6,879	6,639

6. AUDITORS' REMUNERATION

	2023 £	2022 £
Auditor's remuneration	6,879	6,639
– audit services	6,879	6,639

The Verbal Arts Centre (Northern Ireland) Limited
(Charitable Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Year Ended 31 March 2023

7. STAFF COSTS AND EMPLOYEE BENEFITS

The average number of persons employed by the charitable company during the year was 18 (2022: 28).

The total staff costs and employee benefits were as follows:

	2023	2022
	£	£
Gross wages and salaries	502,955	558,102
Employers' national insurance contributions	43,867	52,977
Pension	21,401	11,020
	<u>568,222</u>	<u>622,099</u>

One employee of the charity earned between £60,000-£70,000 in the period in question.

7.1. DIRECTORS' REMUNERATION

The Directors received nor waived any remuneration or any other benefits during the year.

Travel expenses of £nil (2022: £Nil) were reimbursed to Directors for out of pocket costs.

8. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 31 March 2022	1,680,074	227,356	85,290	1,992,720
Additions	-	11,535	-	11,535
At 31 March 2023	<u>1,680,074</u>	<u>238,891</u>	<u>85,290</u>	<u>2,004,255</u>
Depreciation				
At 31 March 2022	780,722	211,633	85,290	1,077,645
Charge for year	33,601	8,414	-	42,015
At 31 March 2023	<u>814,323</u>	<u>220,047</u>	<u>85,290</u>	<u>1,119,660</u>
Carrying amount				
At 31 March 2023	<u>865,751</u>	<u>18,844</u>	<u>-</u>	<u>884,595</u>
At 31 March 2022	<u>899,352</u>	<u>15,723</u>	<u>-</u>	<u>915,075</u>

The Verbal Arts Centre (Northern Ireland) Limited
(Charitable Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the Year Ended 31 March 2023

9. RECEIVABLES

	2023	2022
	£	£
Trade receivables	27,090	142,405
Other receivables	294,465	462,394
Prepayments	5,537	6,370
	327,092	611,169

10. PAYABLES: amounts falling due within one year

	2023	2022
	£	£
Trade payables	138,071	10,933
Other payables	772	-
Accruals	19,431	50,993
Other taxes and social securities	11,471	16,764
	169,745	78,690

11. ANALYSIS OF NET ASSETS

	Restricted Funds	Unrestricted Funds	Designated Funds	Total
	£	£	£	£
Fixed Assets	27,810	856,785	-	884,595
Current Assets	56,140	572,186	300,000	928,326
Current Liabilities	-	(169,745)	-	(169,745)
Net Assets	83,950	1,259,226	300,000	1,643,176

The Verbal Arts Centre (Northern Ireland) Limited
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NOTES TO THE FINANCIAL STATEMENTS (continued)
For the Year Ended 31 March 2023

12. ANALYSIS OF FUNDS

	Opening Balance £	Income £	Expenditure £	Transfer Between funds	Closing Balance £
<u>Arts Council Northern Ireland</u>					
- Core Funding	-	208,320	(199,906)	(8,414)	-
- Equipment Funding	2,606	11,450	(3,086)	-	10,970
- H & S Funding	9,738	-	(3,980)	-	5,758
- Arts & Older People	-	4,493	(4,502)	9	-
- REAP	-	8,797	-	-	8,797
<u>Derry City Council</u>					
- Core Funding	-	17,000	(17,000)	-	-
The Reading Agency	1,778	-	-	(1,778)	-
The Next Chapter	12,437	-	(11,071)	(1,366)	-
Children In Need	41,767	9,830	(32,005)	(19,592)	-
HSE Bibliography	2,797	-	-	(2,797)	-
Storyteller	111	-	-	(111)	-
PHA Health Integration	45,993	49,717	(71,022)	-	24,688
Trinity College	-	3,203	(18)	(3,185)	-
Garfield Weston	-	40,000	(18,417)	-	21,583
Culture Night	-	300	(99)	(201)	-
Foyle Foundation	-	20,000	(8,110)	-	11,890
<u>Verbal Wellbeing</u>					
- Western Area	-	4,293	(4,161)	-	132
- Belfast Area	-	4,293	(4,161)	-	132
Total Restricted Funds	117,227	381,696	(377,538)	(37,435)	83,950
Unrestricted Funds	1,345,464	634,270	(757,943)	37,435	1,259,226
Designated Funds	300,000	-	-	-	300,000
Total	1,762,691	1,015,966	(1,135,481)	-	1,643,176

13. RESTRICTED FUND DESCRIPTIONS

The Verbal Arts Centre (Northern Ireland) Limited has a wide portfolio of funded projects. In terms of funding value, the main funding sources/projects have been: -

Arts Council Northern Ireland:

Principal funding received from the Arts Council of Northern Ireland Annual Funding Programme. This fund relates mainly to the general running and administrative core costs.

Derry City Council:

This is a fixed level of core funding awarded by Derry City Council on an annual basis which provides contribution towards specifically defined operational costs.

14. CONTINGENT LIABILITIES

A contingent liability exists to repay grants received should certain conditions not be fulfilled by the charitable company.