

Registered number: 437119
Charity number: CHY 18262
Charities regulator number: CRN 20069742

FIGHTING WORDS COMPANY LIMITED BY GUARANTEE

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

FIGHTING WORDS COMPANY LIMITED BY GUARANTEE

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FIGHTING WORDS COMPANY LIMITED BY GUARANTEE

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Trustees	Jennifer Caldwell Roddy Doyle Alan Gilsean Dr Charlotte Holland Andrea Martin (appointed 9 March 2021) Sheila O'Flanagan (resigned 9 November 2021) Gordon Snell Tony Traynor Paul Howard (appointed 9 November 2021) Dearbhail McDonald (resigned 26 January 2021)
Company registered number	437119
Charity registered number	CHY 18262 CRN 20069742
Registered office	Behan Square 12-16 Russell Street Dublin 11 D01WD53
Company secretary	Tony Traynor
Independent auditors	HSOC Accountants Limited Statutory Auditors Adelaide House 90 Georges Street Upper Dun Laoghaire Co. Dublin A96 R8R9
Bankers	Bank of Ireland College Green Dublin 2
Solicitors	Mason Hayes & Curran South Bank House Barrow Street Dublin 4 D04 TR29

FIGHTING WORDS COMPANY LIMITED BY GUARANTEE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees present their annual report together with the audited financial statements of the Company for the year 1 January 2021 to 31 December 2021. The annual report serves the purposes of both a Trustees' report and a Directors' report under company law. The Trustees confirm that the annual report and financial statements of the charitable Company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Objectives and activities

a. Policies and objectives

The purpose of the Company continues to be a creative writing centre providing free tutoring and mentoring for students of all ages, focusing in particular on children, young adults and children and adults with special needs.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Strategies for achieving objectives

The Company relies on private sector donations and grant aid from the Department of Culture, Heritage and the Gaeltacht, the Department of Education and Skills and the Department of Children, together with other grants from a wide range of Public Sector Bodies.

c. Activities undertaken to achieve objectives

Fighting Words offer a wide range of workshops, all of which are designed to promote creativity and writing as fun and powerful means of self-expression. These programmes are developed by our staff and experienced practitioners in all forms of creative writing and are delivered by our team of professional writing mentors, who are all trained in child protection and Garda vetted.

The programme is delivered in partnership with schools, youth projects and other agencies. All workshops are free of charge and offered in locations all over Ireland.

Achievements and performance

a. Review of activities

The directors are satisfied with the performance of the Company during the year. The directors are not expecting to make any significant changes in the Company's business in the foreseeable future.

b. Factors relevant to achieve objectives

The recruitment of sufficient and capable staff and the continuing support of volunteers, coordinators and contributors are pivotal to the success of the organisation.

FIGHTING WORDS COMPANY LIMITED BY GUARANTEE

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Company 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.

b. Reserves policy

The Company's available reserves at the year-end decreased to €252,305 (2020: €266,479), due to the deficit of €14,174 in the year (2020: surplus of €71,091).

The charity is holding reserves for the following reasons:

- (i) The Board feels that it is advisable to maintain a reserve in order to meet a two year administration, staffing and all related costs for the continuation of the service in the event of funding being no longer available, and
- (ii) Given the Company's activities are run on a Non-Profit Basis, the Company must always have surplus reserves available to cover potential losses and to provide working capital pending annual grant renewals and payment of grant and/or earned income.

c. Principal risks and uncertainties

The directors are aware of the major risks to which the Company is exposed, in particular those related to the operations and finances of the Company and are satisfied that there are systems in place to mitigate exposure to major risk.

The Company does not rely on significant borrowings and has minimal exposure to interest rate risk.

The Company is in a good liquid position and does not foresee any cashflow risk in the near future. The Company's policy is to ensure that sufficient resources are available from cash balances and cashflows to ensure all obligations can be met when they fall due.

d. Principal funding

The main purpose of the Company is to provide workshops to children, young adults and children and adults with special needs to develop their writing skills free of charge. The delivery of this service is funded by a combination of private sector donations and grants from various Government Departments and other Public Sector Bodies.

FIGHTING WORDS COMPANY LIMITED BY GUARANTEE

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Structure, governance and management

a. Constitution

Fighting Words Company Limited by Guarantee is registered as a charitable company limited by guarantee and was set up by the Company's constitution on 30 March 2007.

The principal objective of the Company is to be a creative writing centre providing free tutoring and mentoring for students of all ages, focusing in particular on children, young adults, and children and adults with special needs.

b. Methods of appointment or election of Trustees

The management of the Company is the responsibility of the Trustees who are elected and co-opted under the terms of the Company's constitution.

c. Organisational structure and decision-making policies

Fighting Words is governed in accordance with the Company's Constitution.

Its Management Board comprises the 8 directors who make decisions at board level regarding both future strategy and day-to-day operational requirements, in conjunction with the Chief executive Officer.

The Board of Management meet formally at least 4 times per annum and additional meetings are held as required. An Annual General Meeting is also held.

The Company's registered office is in Behan Square, 12-16 Russell Street, Dublin 1, Co. Dublin and this is also the Company's chief administrative office.

There are 8 full-time employees, comprising Sean Love, the CEO of the Company, the General Manager and 6 other Administrative and Programme Coordinators.

d. Policies adopted for the induction and training of Trustees

Fighting Words is committed to ensuring governance arrangements that are sufficiently robust to ensure that the organisation is managed in accordance with the current legislation, as well as adopting procedures which are examples of good practice and which improve the effectiveness of the organisation.

The Charities Act 1993 defines Charity Trustees as the "people responsible under the charity's governing document for controlling the administration and management of the charity".

The new Code of Governance for the Voluntary and Community Sector includes, as part of its principles, that 'Trustees should have the diverse range of skills, experience and knowledge needed to run an organisation effectively' and that "Trustees should ensure that they receive the necessary induction, training and ongoing support they need to discharge their duties".

The current Trustees have a strong mix of long and distinguished experience in the Arts and wide-ranging legal and commercial expertise in the Private Sector.

FIGHTING WORDS COMPANY LIMITED BY GUARANTEE

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Structure, governance and management (continued)

e. Related party relationships

None of our Trustees receive remuneration or other benefit from their work with the charity. Any connection between a trustee and a senior manager of the charity must be disclosed to the full board of trustees in the same way as any other contractual relationship with a related party.

f. Financial risk management

The Trustees have assessed the major risks to which the Company is exposed, in particular those related to the operations and finances of the Company and are satisfied that adequate and appropriate systems and procedures are in place to mitigate exposure to these risks.

Plans for future periods

Fighting Words is expanding its availability and accessibility of service delivery through the development of registered programmes throughout Ireland. The Company is also working collaboratively with peer services in shared partnership clusters to extend the service delivery for key targeted areas of need. Work is also under way to adapt the Fighting Words programmes for children and young people with special needs.

The Company remains focused on sourcing charitable donations and fundraising from as wide a base as possible from both the Private and State Sectors.

Members' liability

The Members of the Company guarantee to contribute an amount not exceeding €1 to the assets of the Company in the event of a winding-up of the Company.

Events after the balance sheet date

On 24 February 2022 Russia's military invaded Ukraine. The war and the resultant spike in commodity prices as well as the increase in costs being passed on by suppliers will have an impact on the Company's cost base. The full impact of these unprecedented increases remains to be seen; however, the Directors have significant experience at sourcing product and negotiating advantageous rates and terms with suppliers and customers. These issues are industry, and indeed national, issues not company specific and therefore outside the control of the company. The impact is likely to be multiannual.

Political donations

The Company made no political donations during the year (2020: €Nil).

Accounting records

The measures taken by the Trustees (Directors for the purposes of company law) to ensure compliance with the requirements of sections 281 to 285 of the Companies Act, 2014, with regard to the keeping of accounting records, include the provision of appropriate resources to maintain adequate accounting records throughout the company, including the appointment of personnel with appropriate qualifications, experience and expertise.

These books and accounting records are maintained at the Company's registered office at Behan Square, 12-16 Russell Street, Dublin 1.

FIGHTING WORDS COMPANY LIMITED BY GUARANTEE

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

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 charity'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 charity's auditors are aware of that information.

Auditors

The auditors, HSOC Accountants Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 5 September 2022 and signed on their behalf by:


.....
Tony Taylor
Trustee


.....
Alan Gilson
Trustee

FIGHTING WORDS COMPANY LIMITED BY GUARANTEE

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2021**


The Trustees (who are also directors of Fighting Words CLG for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable Irish law and Accounting Standards (Generally Accepted Accounting Practice in Ireland)

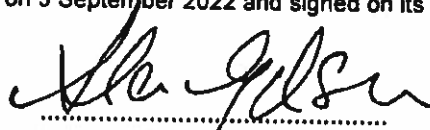
Irish company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable Company and of the incoming resources and application of resources, including the income and expenditure, of the charitable Company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable 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 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 2014. 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.

Approved by order of the members of the board of Trustees on 5 September 2022 and signed on its behalf by:


.....
Tony Traynor
Trustee


.....
Alan Gilshan
Trustee

FIGHTING WORDS COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FIGHTING WORDS COMPANY LIMITED BY GUARANTEE

Opinion

We have audited the financial statements of Fighting Words Company Limited By Guarantee (the 'charitable company') for the year ended 31 December 2021 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by Chartered Accountants Ireland, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland (Generally Accepted Accounting Practice).

The report is made solely to the charitable company's trustees, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees, 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 December 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, the requirements of Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Financial Reporting Council'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.

Matters on which we are required to report by the Companies Act 2014

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees 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.

FIGHTING WORDS COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FIGHTING WORDS COMPANY LIMITED BY GUARANTEE (CONTINUED)

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 Auditors' report thereon. Our opinion on the financial statements does not cover the other information and 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.

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 Trustees' report.

We have nothing to report in respect of the following matters where sections 305 to 312 of the Companies Act 2014 requires us to report to you if, in our opinion

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company 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 Trustees 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 charitable 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 Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

FIGHTING WORDS COMPANY LIMITED BY GUARANTEE

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FIGHTING WORDS COMPANY LIMITED BY
GUARANTEE (CONTINUED)**

Auditors' 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 Auditors' 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 (Ireland) 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.

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

FIGHTING WORDS COMPANY LIMITED BY GUARANTEE

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FIGHTING WORDS COMPANY LIMITED BY
GUARANTEE (CONTINUED)**

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Shane O'Connell FCA
for and on behalf of
HSOC Accountants Limited
Statutory Audit Firm
Dublin
Date: 5 September 2022

FIGHTING WORDS COMPANY LIMITED BY GUARANTEE

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	Unrestricted funds 2021 €	Restricted funds 2021 €	Total funds 2021 €	Total funds 2020 €
Income from:					
Donations and Grants	3	260,013	402,578	662,591	729,264
Total income		<u>260,013</u>	<u>402,578</u>	<u>662,591</u>	<u>729,264</u>
Expenditure on:					
Charitable activities		370,971	305,794	676,766	658,173
Total expenditure		<u>370,971</u>	<u>305,794</u>	<u>676,766</u>	<u>658,173</u>
Net movement in funds		<u>(110,958)</u>	<u>96,784</u>	<u>(14,174)</u>	<u>71,091</u>
Reconciliation of funds:					
Total funds brought forward		255,149	11,330	266,479	195,388
Net movement in funds		(110,958)	96,784	(14,174)	71,091
Total funds carried forward		<u>144,191</u>	<u>108,114</u>	<u>252,305</u>	<u>266,479</u>

The Statement of financial activities includes all gains and losses recognised in the year.

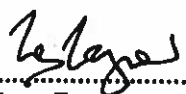
The notes on pages 15 to 29 form part of these financial statements.

FIGHTING WORDS COMPANY LIMITED BY GUARANTEE
REGISTERED NUMBER: 437119

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 €	2020 €
Fixed assets			
Tangible assets	9	93,228	4,565
		93,228	4,565
Current assets			
Debtors	10	17,126	16,782
Cash at bank and in hand		214,740	345,625
		231,866	362,407
Creditors: amounts falling due within one year	11	(51,709)	(75,493)
Net current assets		180,157	286,914
Total assets less current liabilities		273,385	291,479
Creditors: amounts falling due after more than one year	12	(21,080)	(25,000)
Net assets excluding pension asset		252,305	266,479
Total net assets		252,305	266,479
Charity funds			
Restricted funds		108,114	11,330
Unrestricted funds		144,191	255,149
Total funds		252,305	266,479

The financial statements were approved and authorised for issue by the Trustees on 05 September 2022 and signed on their behalf by:



Tony Traynor
 Trustee



Alan Gilson
 Trustee

The notes on pages 15 to 29 form part of these financial statements.

FIGHTING WORDS COMPANY LIMITED BY GUARANTEE

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 €	2020 €
Cash flows from operating activities			
Net cash used in operating activities	16	(14,174)	71,091
Movements in working capital:			
Movement in debtors		(344)	6,638
Movement in creditors		(27,704)	(19,947)
Adjustment for depreciation		1,953	279
Purchase of tangible fixed assets		(90,616)	-
Net cash (outflow)/inflow brought forward		(130,885)	58,061
Change in cash and cash equivalents in the year		(130,885)	58,061
Cash and cash equivalents at the beginning of the year		345,625	287,564
Cash and cash equivalents at the end of the year	17	214,740	345,625

The notes on pages 15 to 29 form part of these financial statements

FIGHTING WORDS COMPANY LIMITED BY GUARANTEE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. General information

Fighting Words Company Limited by Guarantee is a company limited by guarantee incorporated in the Republic of Ireland having its registered office at Behan Square, 12-16 Russell Street, Dublin 1. The company's principal activity continued to be that of creative writing, providing free tutoring and mentoring for students of all ages, focusing in particular on children, young adults, and children and adults with special needs.

2. Accounting policies

2.1 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)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2014.

The directors have availed of the provisions in section 291(5) of the Companies Act, 2014 to use a format for the financial statements that better describes the activities of a not-for-profit entity. The main change is the replacement of the title "Profit and Loss Account" with the title "Income and Expenditure Account" and consequential changes in the descriptions of certain items to be consistent with the descriptions appropriate to the not-for-profit sector.

Fighting Words Company Limited by Guarantee 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.

2.2 Income

All income is recognised once the Company has entitlement to that income, it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

2.3 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

FIGHTING WORDS COMPANY LIMITED BY GUARANTEE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.3 Expenditure (continued)

All expenditure is inclusive of irrecoverable VAT.

2.4 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of financial activities as the related expenditure is incurred.

2.5 Taxation

The charitable company is exempt from taxation due to its charitable status in Ireland (Charity Reg No. CHY 18262).

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing €NIL or more are capitalised and recognised when future economic benefits are probable, and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	-	50%
Fixtures and fittings	-	20%
Office equipment	-	33%

2.7 Debtors

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

2.8 Cash at bank and in hand

Cash at bank and 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.

FIGHTING WORDS COMPANY LIMITED BY GUARANTEE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.10 Financial instruments

The Company 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.11 Pensions

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

2.12 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund are set out in the notes to the financial statements.

3. Income from donations and grants

	Unrestricted funds 2021 €	Restricted funds 2021 €	Total funds 2021 €
Donations	239,458	-	239,458
Government grants	20,555	402,578	423,133
	<u>260,013</u>	<u>402,578</u>	<u>662,591</u>

FIGHTING WORDS COMPANY LIMITED BY GUARANTEE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

3. Income from donations and grants (continued)

	<i>Unrestricted funds 2020 €</i>	<i>Restricted funds 2020 €</i>	<i>Total funds 2020 €</i>
Donations	320,576	-	320,576
Other grants	40,000	-	40,000
Government grants	58,055	310,633	368,688
	<u>418,631</u>	<u>310,633</u>	<u>729,264</u>

4. Incoming resources

	<i>Unrestricted funds 2021 €</i>	<i>Restricted funds 2021 €</i>	<i>Total funds 2021 €</i>
Department of Culture, Heritage and the Gaeltacht	-	191,300	191,300
Department of Education and Skills	-	65,278	65,278
Arts Council Grant	-	45,000	45,000
Irish Youth Foundation	-	25,000	25,000
Department of Children	-	50,000	50,000
Department of Culture, Heritage and the Gaeltacht	-	26,000	26,000
Private donations	152,865	-	152,865
Revenue Commissioners - Donation Relief	14,960	-	14,960
Revenue Commissioners - EWSS	31,633	-	31,633
The American Ireland Funds	10,000	-	10,000
Social Innovation Ireland Funds	20,555	-	20,555
Avolon	30,000	-	30,000
	<u>260,013</u>	<u>402,578</u>	<u>662,591</u>

FIGHTING WORDS COMPANY LIMITED BY GUARANTEE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	<i>Unrestricted funds 2020 €</i>	<i>Restricted funds 2020 €</i>	<i>Total funds 2020 €</i>
Department of Culture, Heritage and the Gaeltacht	-	199,633	199,633
Department of Education and Skills	-	70,000	70,000
Arts Council Grant	-	16,000	16,000
Irish Youth Foundation	-	25,000	25,000
Private donations	186,436	-	186,436
Revenue Commissioners - Donation Relief	19,681	-	19,681
Revenue Commissioners - EWSS	74,564	-	74,564
Dublin City Council Grant	40,000	-	40,000
The American Ireland Funds	19,895	-	19,895
Social Innovation Ireland Funds	58,055	-	58,055
Avolon	20,000	-	20,000
	<u>418,631</u>	<u>310,633</u>	<u>729,264</u>

FIGHTING WORDS COMPANY LIMITED BY GUARANTEE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

5. Analysis of expenditure by activities

	Charitable activities 2021 €	Management and administration 2021 €	Total funds 2021 €
Staff Costs	-	480,522	480,522
Depreciation	-	1,954	1,954
Income protection/life cover	-	4,479	4,479
Management charges	-	2,260	2,260
Office materials and supplies	-	3,140	3,140
Rent and rates	-	38,000	38,000
Light and heat	-	2,063	2,063
Insurances	-	3,464	3,464
Service contracts	-	10,999	10,999
Professional writers - Story seeds	28,726	-	28,726
Telephone	-	6,295	6,295
Travel and accommodation	2,386	-	2,386
Computer cost	-	4,716	4,716
Legal and professional	-	4,222	4,222
Staff training and subscriptions	1,701	-	1,701
Project costs and publication	72,685	-	72,685
Sundry	4,119	-	4,119
Bank charges	180	-	180
Volunteer expenses	594	-	594
Auditor's remuneration	4,261	-	4,261
	<u>114,652</u>	<u>562,114</u>	<u>676,766</u>

FIGHTING WORDS COMPANY LIMITED BY GUARANTEE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	<i>Charitable activities 2020 €</i>	<i>Management and administration 2020 €</i>	<i>Total funds 2020 €</i>
Staff Costs	-	413,821	413,821
Depreciation	-	279	279
Income protection/life cover	-	7,881	7,881
Management charges	-	2,230	2,230
Office materials and supplies	-	6,970	6,970
Rent and rates	-	38,000	38,000
Light and heat	-	2,816	2,816
Insurances	-	2,680	2,680
Service contracts	-	7,835	7,835
Telephone	-	3,914	3,914
Travel and accommodation	2,565	-	2,565
Computer cost	-	6,148	6,148
Legal and professional	-	4,557	4,557
Staff training and subscriptions	5,159	-	5,159
Project costs and publication	135,008	-	135,008
Sundry	-	2,430	2,430
Bank charges	-	415	415
Volunteer expenses	-	2,328	2,328
Auditor's remuneration	-	4,235	4,235
Young at Art	8,902	-	8,902
	<u>151,634</u>	<u>506,539</u>	<u>658,173</u>

6. Auditors' remuneration

	2021 €	2020 €
Fees payable to the Company's auditor for the audit of the Company's annual accounts	<u>4,260</u>	<u>4,235</u>

FIGHTING WORDS COMPANY LIMITED BY GUARANTEE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

7. Staff costs

	2021	2020
	€	€
Wages and salaries	407,310	361,026
Social security costs	44,524	22,351
Contribution to defined contribution pension schemes	28,688	30,444
	<u>480,522</u>	<u>413,821</u>

The average number of persons employed by the Company during the year was as follows:

	2021	2020
	No.	No.
Administration	<u>8</u>	<u>8</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded €60,000 was:

	2021	2020
	No.	No.
In the band €60,001 - €70,000	1	1
In the band €70,001 - €80,000	1	1

8. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - €NIL).

During the year ended 31 December 2021, no Trustee expenses have been reimbursed or are reimbursable by the Company. (2020 - €NIL).

FIGHTING WORDS COMPANY LIMITED BY GUARANTEE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

9. Tangible fixed assets

	Leasehold improvements €	Fixtures and fittings €	Office equipment €	Total €
Cost or valuation				
At 1 January 2021	-	274,328	39,840	314,168
Additions	78,472	9,816	2,328	90,616
At 31 December 2021	<u>78,472</u>	<u>284,144</u>	<u>42,168</u>	<u>404,784</u>
Depreciation				
At 1 January 2021	-	273,666	35,936	309,602
Charge for the year	-	147	1,807	1,954
At 31 December 2021	<u>-</u>	<u>273,813</u>	<u>37,743</u>	<u>311,556</u>
Net book value				
At 31 December 2021	<u>78,472</u>	<u>10,331</u>	<u>4,425</u>	<u>93,228</u>
At 31 December 2020	<u>-</u>	<u>662</u>	<u>3,903</u>	<u>4,565</u>

10. Debtors

	2021 €	2020 €
Due within one year		
Other debtors	10,587	10,587
Prepayments and accrued income	6,539	6,195
	<u>17,126</u>	<u>16,782</u>

FIGHTING WORDS COMPANY LIMITED BY GUARANTEE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

11. Creditors: Amounts falling due within one year

	2021	2020
	€	€
Bank overdrafts	880	2,179
Other taxation and social security	11,739	10,726
Other creditors	-	1,254
Accruals and deferred income	39,090	61,334
	<u>51,709</u>	<u>75,493</u>

During the year, the Company received €42,160 in non-government grant funding relating to a project to fit-out a newly leased premises in Behan Square. Whilst the grant itself was fully received in 2021, the full fit-out was not completed at year-end and the expenditure incurred during 2021 has been capitalised with a view to releasing the expenditure out over 2022 and 2023. This is in line with a policy of 50% depreciation for such assets when they are ready for use. To reflect this policy of capital expenditure release, the grant received will be released over 2022 and 2023 also to ensure the matching of the expenditure and the grant received in the accounts.

Other taxation and social security

	2021	2020
	€	€
PAYE/PRSI	11,739	10,726
	<u>11,739</u>	<u>10,726</u>

12. Creditors: Amounts falling due after more than one year

	2021	2020
	€	€
Accruals and deferred income	21,080	25,000
	<u>21,080</u>	<u>25,000</u>

See note 11.

FIGHTING WORDS COMPANY LIMITED BY GUARANTEE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

13. Financial instruments

	2021 €	2020 €
Financial assets		
Financial assets measured at fair value through income and expenditure	<u>214,740</u>	<u>345,625</u>

Financial assets measured at fair value through income and expenditure comprise cash at bank and in hand.

14. Summary of funds

Summary of funds - current year

	Balance at 1 January 2021 €	Income €	Expenditure €	Balance at 31 December 2021 €
General funds	255,149	260,013	(370,971)	144,191
Restricted funds	11,330	402,578	(305,794)	108,114
	<u>266,479</u>	<u>662,591</u>	<u>(676,765)</u>	<u>252,305</u>

Summary of funds - prior year

	Balance at 1 January 2020 €	Income €	Expenditure €	Balance at 31 December 2020 €
General funds	176,558	418,631	(340,040)	255,149
Restricted funds	18,830	310,633	(318,133)	11,330
	<u>195,388</u>	<u>729,264</u>	<u>(658,173)</u>	<u>266,479</u>

FIGHTING WORDS COMPANY LIMITED BY GUARANTEE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

15. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 €	Restricted funds 2021 €	Restricted funds - class ii 2021 €	Total funds 2021 €
Tangible fixed assets	93,229	-	-	93,229
Current assets	123,752	108,114	-	231,866
Creditors due within one year	(30,629)	-	-	(30,629)
Creditors due in more than one year	(42,160)	-	-	(42,160)
Total	144,192	108,114	-	252,306

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 €	Restricted funds 2020 €	Total funds 2020 €
Tangible fixed assets	4,565	-	4,565
Current assets	351,077	11,330	362,407
Creditors due within one year	(75,493)	-	(75,493)
Creditors due in more than one year	(25,000)	-	(25,000)
Total	255,149	11,330	266,479

FIGHTING WORDS COMPANY LIMITED BY GUARANTEE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

16. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 €	2020 €
Net income/expenditure for the year (as per Statement of Financial Activities)	(14,174)	71,091
Adjustments for:		
Depreciation charges	1,953	279
Decrease/(increase) in debtors	(344)	6,638
Decrease in creditors	(27,704)	(19,947)
Purchase of tangible fixed assets	(90,616)	-
Net cash provided by/(used in) operating activities	(130,885)	58,061

17. Analysis of cash and cash equivalents

	2021 €	2020 €
Cash in hand	214,740	345,625
Total cash and cash equivalents	214,740	345,625

18. Analysis of changes in net debt

	At 1 January 2021 €	Cash flows €	At 31 December 2021 €
Cash at bank and in hand	345,625	(130,885)	214,740
Bank overdrafts repayable on demand	(2,179)	1,299	(880)
	343,446	(129,586)	213,860

19. Pension commitments

The company operate a defined contribution pension scheme that covers substantially all the employees of the company. The assets of the scheme are vested in independent trustees for the sole benefit of those employees. The pension charge represents contributions due from the company and amounted to €28,688 (2020: €30,444).

FIGHTING WORDS COMPANY LIMITED BY GUARANTEE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

20. Security guarantees

Bank of Ireland has been provided with a letter of guarantee from Fighting Words Company Limited by Guarantee for €10,000 as security over the Company's borrowings.

21. Related party transactions

Gordon Snell, a director of the Company, made a voluntary donation of €50,000 during the year (2020:€50,000).

Tony Traynor, a director of the Company, made a voluntary donation of €20,500 during the year (2020:17,000).

Roddy Doyle, a director of the Company, made a voluntary donation of €5,000 during the year (2020: €25,000).

Sheila O'Flanagan, a former director of the Company, made a voluntary donation of €1,500 during the year (2020: €1,500).

Jennifer Caldwell, a director of the Company, made a voluntary donation of €1,000 during the year.

22. Operating lease commitments

The Company has a 25-year lease in respect of the property it rents which expires on 30 November 2033. Annual rent is €38,000 and is subject to 5 yearly reviews. Total future minimum lease payments under non-cancelable operating leases are as follows:

	2021	2020
	€	€
Due:		
Within one year	38,000	38,000
Between one and five years	152,000	152,000
After five years	262,833	300,833
	<u>452,833</u>	<u>490,833</u>

23. Post balance sheet events

On 24 February 2022 Russia's military invaded Ukraine. The war and the resultant spike in commodity prices as well as the increase in costs being passed on by suppliers will have an impact on the Company's cost base. The full impact of these unprecedented increases remains to be seen; however, the Directors have significant experience at sourcing product and negotiating advantageous rates and terms with suppliers and customers. These issues are industry, and indeed national, issues not company specific and therefore outside the control of the company. The impact is likely to be multiannual.

FIGHTING WORDS COMPANY LIMITED BY GUARANTEE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

24. Approval of financial statements

The Trustees approved these financial statements for issue on 5 September 2022.