

**Ulster Supported Employment Limited  
Annual report  
for the year ended 31 March 2012**

# **Ulster Supported Employment Limited**

## **(A company limited by guarantee and not having a share capital)**

### **Annual report for the year ended 31 March 2012**

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## **Directors and advisers**

### **Directors**

Mr P Bogues (Chairman)  
Ms C Gibson  
Ms JE Kelly  
Mr B McMurray  
Ms B Maitland  
Mr J Smith

### **Chief Executive and Accounting Officer**

S Humphries

### **Secretary**

D Macedo

### **Registered office**

182/188 Cambrai Street  
Belfast  
BT13 3JH

### **Bankers**

Northern Bank Limited  
235 Shankill Road  
Belfast  
BT13 1FE

### **Solicitors**

Johns Elliot & Co  
40 Linenhall Street  
BELFAST  
BT2 8BA

### **Statutory auditors**

Comptroller & Auditor General  
Northern Ireland Audit Office  
106 University Street  
Belfast  
BT7 1EU

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**Directors' Report**  
**Year ended 31 March 2012**  
**Prepared by David Macedo, Board Secretary**

## **Background Information**

Ulster Supported Employment Limited (USEL) is an executive Non-Departmental Public Body (NDPB) and operates under the direction of the Department for Employment and Learning (DEL) and in particular on a day-to-day basis the Disability Employment Service (DES). The company is a private, not for profit Company, limited by guarantee and does not have a share capital.

The Company is a registered charity under Section 505 of the Income and Corporation Taxes Act 1988 with effect from 20 March 1996.

The Company was established in 1962 to fulfil an act of parliament to provide supported paid employment for disabled people and in 1980 USEL expanded through the acquisition of the Workshops for the Blind (The Belfast Association for the Employment of the Industrious Blind) to become the largest employer of disabled people within Northern Ireland. At the time of the merger the Workshops for the Blind had been providing employment only for people with vision impairment as it had always done since it was established in 1871.

By special resolution the Company changed its original incorporation name of Ulster Sheltered Employment Limited to Ulster Supported Employment Limited on 25 September 1998.

There have been no changes in the company's activities during the year and none are anticipated in the foreseeable future.

These accounts have been prepared in accordance with the accounting and disclosure requirements of the Companies Act 2006 and in a form directed by the Department for Employment and Learning with the approval of the Department of Finance and Personnel. A copy of the Accounts Direction can be found at Appendix 1.

## **Business review**

A full review of Ulster Supported Employment Limited's activities is given on pages 11-25.

On the issue of risk, the directors receive regular updates on the risk register at the board twice per annum. This is further augmented by the detailed reporting of the Executive on the business in the monthly Board Report. The directors regard the principle risks for the business can be defined in terms of the wider economy within which USEL operates, revenues and people. The directors are satisfied there are robust plans and activities to manage these risks. In terms of corporate governance the directors recognise the need to manage the various elements within that and are satisfied the Accounting Officer discloses accurate and timely information to them and would commend the Executive for the early adoption of key governance requirements.

## **Results for the year**

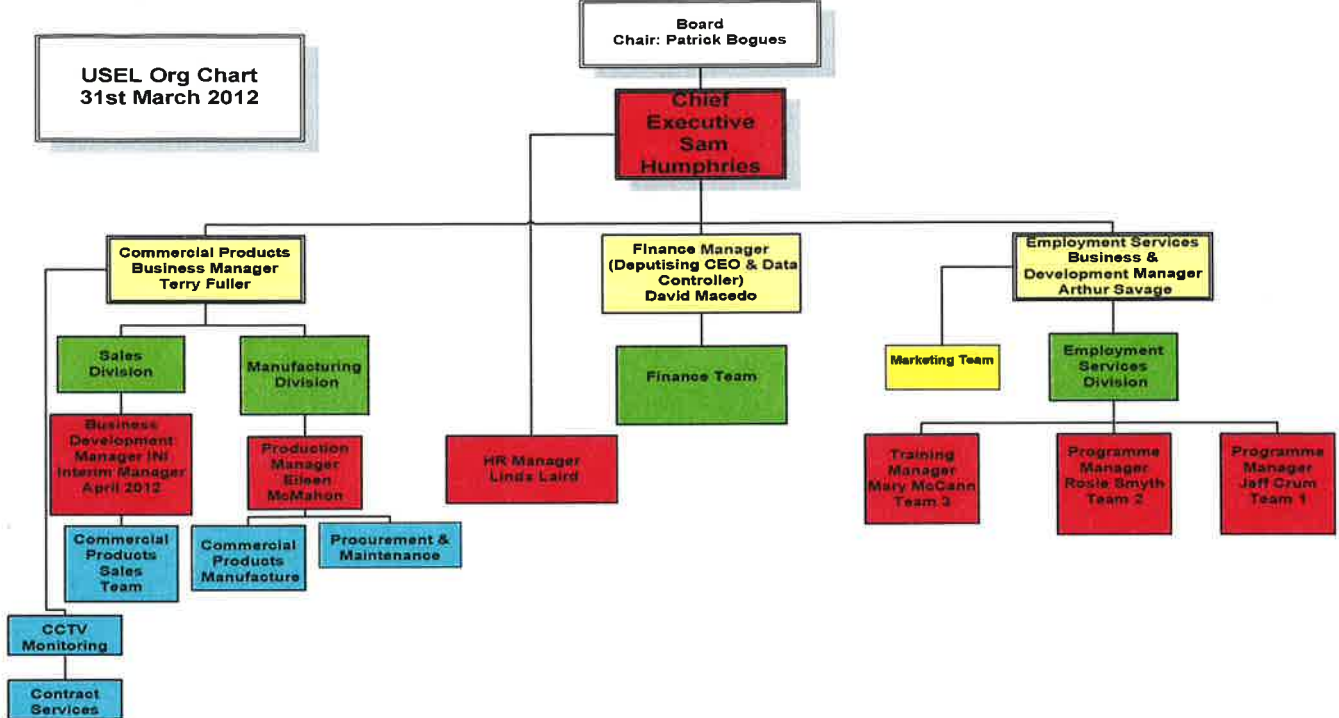
The results for the financial year are set out in the Statement of Comprehensive Net Expenditure on page 32. The deficit for the year was £849,838 (2011: £525,057). Although the Statement of Financial Position shows the Company to have a net liability position, the Directors do not consider there is a risk of the Company not being a going concern. The net liability is due solely to the pension liability for which a 12-year recovery plan has been agreed with Trustees and the Pension Scheme Actuary. Accordingly, contributions to the Pension Scheme have increased substantially. On this basis, the Directors consider the Company's financial position at the Statement of Financial Position date to be satisfactory.

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## Company Structure Overview

The management structure of the Company is set out below:



### Employee Policy

USEL is committed to providing equality of opportunity. It is our policy that all eligible persons shall have equal opportunity for employment and advancement on the basis of their ability, qualifications and aptitude for the work. Everyone has a right to equality of opportunity and to a good and harmonious working environment and atmosphere in which all staff are encouraged to apply their diverse talents and in which no worker feels under threat or intimidated. This right is protected in many instances by legislation.

### Sickness Absence

The sickness absence rate for the year was 8% (2011: 5.77%). This is a slight increase which was influenced by a number of long term sickness periods, this is however part of the nature of this environment, supporting people with disabilities and health conditions.

### Employee involvement

USEL has operated a cascade process for employee involvement in this past year. This means that the chief executive briefs the entire organisation on a 12 - 14 weekly cycle. Employees are presented with information on all aspects of the business and given the opportunity to ask questions of the chief executive. Each employee within the organisation has function team meetings on a regular basis, this provides a forum for the employees to be kept abreast of developments and feed back their perspective on changes.

All the function team meetings and works committee meeting have standing agenda points to review Health and Safety, and ISO. The designated competent person is the Commercial Products Business Manager who works with external supports to ensure the system of Health and Safety across the organisation is in place. Where appropriate, when changes are required the managers can co-opt the services of the training department to ensure employees are given adequate training, or where appropriate an external trainer is brought in to ensure compliance.

### The Environment

USEL continues to manage and maintain a review of its environmental footprint utilising the disciplines of the Green Dragon Level 2 Environmental standard accreditation. Energy conservation is

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promoted throughout the organisation and posters promoting energy conservation are prominently displayed on notice boards and other locations within the building. Timing switches are also installed where practicable with regard to heating, lighting and air conditioning appliances.

Reallocation of resources to utilise the satellite offices continues to ensure excess journeys and travel is minimised thereby reducing the carbon foot print of the company. Indeed this year we noted a significant drop in mileage as a result of these efficiency changes of 9.5% on the previous year.

#### **Accounting policies**

The financial statements have been prepared on a going concern basis in accordance with applicable accounting standards issued by the UK accountancy bodies in a form directed by the Department for Employment and Learning with the consent of the Department of Finance and Personnel (see Appendix 1).

#### **Payments to suppliers**

Ulster Supported Employment Limited is committed to the prompt payment of bills for goods and services received in accordance with the Better Practice Prompt Payers Code. Unless otherwise stated in the contract, payment is due within 30 days of the receipt of goods or services, or presentation of a valid invoice or similar demand, whichever is later.

The percentage of bills paid within this standard is not known, although as it is only disputed invoices which are withheld pending resolution the vast majority would be expected to meet this standard.

The trade payable days at 31 March 2012 is 27 days (2011: 35 days) calculated as the proportion of year-end payables to the aggregate invoiced amounts during the year.

#### **Pension fund**

The Company operates a pension scheme that is based on an individual's final salary. The assets of the Pension Fund, established for the benefit of the Company's employees, are held in a Trust separately from the assets of the company.

Mr Patrick Bogues independently chairs the Board of Trustees. The Trust Board also has two members nominated by the Directors and two members nominated by the members of the Pension Scheme.

Legal and General Investment Management manage the funds on behalf of the Trustees. Mercer Limited has been appointed by the Trustees to act as their Administrators and Advisors on the operation of the Scheme. The pension benefits package was amended following the April 2009 Actuarial review.

#### **Policy towards disabled employees**

Information regarding employees is provided on pages 11 to 25.

#### **Post Statement of Financial Position events**

No significant events have occurred since the date of the Statement of Financial Position which affects the Company or which materially affects the financial statements of the Company.

#### **Non Current Assets**

Changes in the Non Current Assets of the Company during the year are disclosed in note 9.

#### **Charitable donations**

The Company made no charitable donations during the year.

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## **Personal Data Related Incidents**

There are no personal data related incidents to report.

## **Directors**

### ***Patrick Bogues – Chairman (Re-appointed January 2006 / Chairman September 2006)***

Patrick Bogues was appointed a Director of USEL in January 2003, with re-appointment in January 2006, he became the chairman of the Board of Directors in September 2006 with a second term extension in 2009 to September 2012. Patrick is the owner of a number of retail jewelers shops. He is actively involved in the retail jewelry industry as a Fellow of the Gemological Association and a fellow of the National association of Goldsmiths. Patrick is a past Chairman of the Community Activity Partnership, a charity aimed at helping people with a learning disability to access work. He is a past President of Omagh Chamber of Commerce and Industry. These interests do not conflict with those of the Company.

### ***Brian McMurray – Finance Director / Chair Audit Committee (Appointed January 2006, re-appointed 1<sup>st</sup> January 2009, Extended to 1<sup>st</sup> January 2013)***

Brian McMurray has been involved as a Chief Executive in several major private sector companies - most notably Rank Hovis McDougall, Courtaulds Textiles ,Moygashel Linens and latterly Abbicoil Springs. He holds the following public appointments - Non Executive Director of Business Services Organisation, Director of Action Mental Health and Chairman of Roe Valley Enterprise Agency.

### ***Brenda Maitland – Director (Appointed March 2006, re-appointed 16<sup>th</sup> March 2009, Extended to 15<sup>th</sup> March 2013)***

Brenda Maitland holds a B.Eng Electrical and Electronic Engineering (Hons) and is a member of the Chartered Institute of Personnel and Development. Brenda worked for BT for over 26 years in various roles. She is the NI Lay representative on the Nursing and Midwifery Council (UK regulatory body for nurses and midwives) and is a member of the management Council of War on Want NI. She is also a board member of Health and Safety Executive and Labour Relations agency and is a school governor. These interests do not conflict with those of the Company

### ***Judith Kelly – Director (Appointed 1<sup>st</sup> July 2010)***

Judith was appointed as Board Member in July 2010. She has 20 years experience in Financial Services most recently as Head of Online & Telephone Banking for Ulster Bank responsible for the communication, marketing & development of remote banking channels in Ireland. Judith is currently a parent Governor at Meadow Bridge Primary School, Hillsborough. Judith is also an Associate Member of the Chartered Institute of Personnel & Development and a Licentiate Member of the Institute of Bankers in Ireland

### ***Clare Gibson – Director (Appointed January 2006, re-appointed 1<sup>st</sup> January 2009, Retired 31<sup>st</sup> December 2011)***

Clare Gibson was the Owner/Director of Abbey Training Services from 1991 to 2001, and prior to this worked as a Senior Lecturer/Staff Development Officer with Ballymena College. Clare held a number of part-time and temporary teaching positions since 1966. Between 2000 and 2003 she was a Civic Forum Representative with the NI Assembly. These interests do not conflict with those of the Company

### ***James Smyth – Director (Appointed March 2006, re-appointed 16<sup>th</sup> March 2009, retired 15<sup>th</sup> March 2012)***

James Smyth is a Registered General Nurse, Registered Psychiatric Nurse and holds approved and professional social work qualifications. He was employed by Down and Lisburn Health & Social Services Trust since 1980 in the position of Senior Social Worker/Team Leader retiring in September 2005. Currently James operates a successful property management company. These interests do not conflict with those of the Company

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### **Statement of directors' responsibilities**

Company law and Article 8(6) of the Financial Provisions (Northern Ireland) Order 1993 require the Chief Executive and directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs and of the surplus or deficit of the Company for that period. In preparing those financial statements, the Chief Executive and directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 business.

The Chief Executive and directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In addition, in appointing the Chief Executive of the Ulster Supported Employment Limited as Accounting Officer for the company, the Department for Employment and Learning has placed on the Chief Executive responsibilities including the regularity and propriety of the public finances and for the keeping of proper records, and which are set out in the "Accounting Officers" memorandum issued by the Department of Finance and Personnel.

### **Statement of disclosure of information to auditors**

So far as each of the directors in office at the date of approval of these financial statements are aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### **Auditors**

Under the Companies (Public Sector Audit) Order (Northern Ireland) 2008 USEL is subject to a public sector audit by the Comptroller and Auditor General (C&AG). The Northern Ireland Audit Office (NIAO) have contracted the work to PricewaterhouseCoopers LLP (PwC).

By order of the Board



**D Macedo**  
**Secretary**  
**27<sup>th</sup> June 2012**



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Foreword by Patrick Bogues,  
Board Chairman



The Annual Report and Accounts for USEL (Ulster Supported Employment Ltd) covers the period 1st April 2011 to 31st March 2012.

This will be my last report as chair of the Board of the company as I retire in June 2012. My time on the Board and as chair has been challenging and rewarding in equal measure. It has been a great pleasure to see the organisation grow and develop. The strategic planning of the organisation has grown exponentially over the past 6 years which has allowed the Board in 2011-2012 to reach out to other sector groups to a higher degree.

We have introduced a new format to our meetings whereby senior executives of sector and partner organisations have visited the Board. They have the opportunity to brief the Board on their activities and to allow us to explore how and where we might strategically forge new and deeper relationships. To date we have met with Stratagem, A4E, and Business in the Community. These have proved incredibly insightful and have significantly raised the strategic bar for the Board.

In terms of the Board I would note my thanks to each of the members for their tireless work and full commitment to USEL. This year we have said farewell to Claire Gibson and James Smyth, to both I say a special word of thanks and we will miss their unique contributions. I would note my appreciation of the support of our Department who worked with me to ensure there was a positive continuity for the Board during the transition of the director's team. As we write this report two new directors have been appointed for the 2012 financial year. The competition is well under way to find a new Chair and I would take this opportunity to wish the new incumbent well. I know they will be well supported by the Board and Executive.

The financial year has been incredibly difficult for the organisation. USEL's unique business model was fully tested when the commercial products and services struggled in a highly depressed market to achieve budget, at the same time the programme delivery expectations were unrealised. This double impact has resulted in the organisation posting a significant loss for the year. This reinforces the strategic need for the organisation to diversify through the new training delivery to create a third strategic division. In the first full training year of this new delivery I note the department broke even, which is something to be commended especially as the full costs of set up were borne in that year.

I am encouraged as I relinquish the chair's role that the executives' planning has resulted in a strong and defined recovery plan for the commercial products and services which will start to roll out in the early part of the 2012-2013 financial year. I would note my appreciation to our sponsoring Department and Invest Northern Ireland for collaborating together to ensure USEL has been granted INI support which will go a long way to delivering the recovery plan.

The Board was kept extremely well informed by way of the Board Report which is highly detailed. As before we have received direct reports from all the members of the senior management team and have had the ability to discuss the issues they face, and to provide such support and assistance as the Board can bring.

This has been the first year of our new ESF funded Steps to Employment Progression delivery STEPV. I note with interest that while much media negativity has been levied at placement programmes across the UK, this USEL designed delivery has an 81% success rate for progression from a trainee status to full time employment.

The culmination of the company's activities means the company is posting a £203,000 loss before depreciation, FRM adjustments and FRS 17 pension costs. While we as a Board are disappointed in this result, we firmly believe the executive team performed remarkably to limit the loss given such trying circumstances.

This has been the first year of our new three year corporate plan. The plan was a marked improvement as it was decidedly specific in delivery and output. It reinforces the Executive and Board commitment to strategic planning creating positive tactical delivery with measured outcomes.

On 16th March 2012 USEL celebrated a unique milestone of being 50 years in existence. Through the

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generosity of sponsors, and stakeholders who bought tickets we hosted a 50th Gala ball and dinner at the Grand Ballroom, Belfast City hall. I would publicly like to thank the Belfast City Council and Mayor for the granting of the hall for our use and for providing a reception before the meal.



Picture: Left to Right

Mr Alan Shannon (Perm Sec DEL),  
Mr Sam Humphries (CEO USEL),  
Mr Miles Hilton-Barber (Speaker),  
Mr Colum Boyle (DEL)

The support of our Department by their attendance was greatly appreciated. Mr Hilton-Barber who is a blind explorer set the positive tone for the evening and I know many who attended were greatly encouraged by such positivity as Miles demonstrated through his life story.

Kirstie McMurray from Cool FM and Downtown Radio acted as our host for the evening and her contribution was greatly appreciated. It was a great surprise to me that the Executive had written to Sir Alex Ferguson and he responded with a signed letter of good wishes to the team in celebrating our 50 years and my retirement as Chair.

This event was planned for our stakeholders and supporters to show a collective solidarity with USEL, we are planning an Employee event for June 2012 to allow the employees to celebrate in their own way this great milestone.



We were delighted to welcome to USEL Dr Stephen Farry, the Minister for Employment and Learning at the end of February. He visited the facility at Cambrai Street and launched our 50th celebrations.

We have in my time as chair, always received strong and positive support from the ministers in post and it was a delight to see this carried through to Dr Farry's tenure.

I would thank and commend the Chief Executive, Management and employees of USEL for their unswerving commitment in the face of the challenges they faced through 2011-2012. The Board and I recognise the pressures faced by our unique business, and would reiterate our full support for the team as they face yet another challenging year.

**Patrick Bagues**  
Chairman  
27th June 2012

A handwritten signature in black ink, which appears to read "Patrick Bagues". The signature is written in a cursive style and is positioned to the right of the printed name and date.

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**Audit Committee Report by Brian McMurray  
Chair of Audit Committee**

## **Chairman's Forward:**

I would like to thank the members of the audit committee for their involvement and contribution. I would also thank the company's Finance Manager who provides secretariat support for the committee.

## **Audit Committee Membership:**

The USEL audit committee comprises all USEL Board members with the exception of the full Board chair. The Board members are all independently appointed which ensures a high degree of segregation between the organisation and the committee governance and challenge function. The members are supported by the Chief Executive and the company's Finance Manager who attend each meeting. We also have representation from our sponsoring branch the Disability Employment Service, the NIAO and our internal auditors ASM.

## **Terms of Reference:**

The terms of reference remain:

- To agree the internal and external audit plans for the year.
- To receive the internal and external audit reports.
- To monitor management response to the internal and external audits as required.
- To ensure the appropriate risk management frameworks are in place.
- To receive the CEO audit committee report
- To maintain a register of members with appointment dates noted

## **Committee Meetings:**

The audit committee generally meets on the same day and just prior to the main Board meeting. The committee met on three occasions in the year to carry out the functions as described under the terms of reference. I am happy to report we had 95% attendance at these meetings of the members of the committee with 100% attendance of the Chief Executive and Finance Manager.

## **Internal Audit Report:**

The internal audit programme for this year included:

System	Date of final report	Assurance rating	Number of recommendations
Corporate governance & risk management	19 December 2011	Satisfactory	4
Fixed assets	19 December 2011	Satisfactory	2
Development & training	19 December 2011	Satisfactory	2
Information technology, physical security & business continuity planning	19 December 2011	Satisfactory	6
Corporate credit card	19 December 2011	Satisfactory	1

I am happy to report that the overall audit opinion was Satisfactory Assurance in all areas covered.

## **External Audit engagement:**

The committee received the audit report from NIAO and PWC the designated auditors, at the meeting held on 22<sup>nd</sup> June 2011. The report provided an unqualified opinion on the accounts for the year to 31<sup>st</sup> March 2011.

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Under the Companies (Public Sector Audit) Order (Northern Ireland) 2008 USEL is subject to a public sector audit by the Comptroller and Auditor General (C&AG).

### **Risk Management & Fraud awareness:**

The Executive is tasked with reporting any frauds or suspected frauds to the Board and audit committee and I am happy to report that no such reports were applicable during the 2011 – 2012 financial year.

The audit committee received a recommendation to update and improve the risk policy for the organisation. This has been accepted by the audit committee and will form the basis of risk management going forward. My thanks to our internal auditors, ASM, for their input in this matter.

The audit committee is provided with a risk register bi-annually via the Board document pack, this is discussed and amended as required.

On matters of good governance advice and notifications, the Chief Executive brings to the attention of the committee relevant Dear Accounting Officer letters as issued by government and the impact on the organisation is discussed with any required actions agreed at Board level.

### **Conflicts of interest:**

At each meeting the members are invited to declare any known information which could pose a conflict of interest. No such interests were declared during 2011 - 2012.

I would like to conclude by once again acknowledging the input from the Chief Executive and the Finance Manager, Mr David Macedo for maintaining a high standard of information flow to the committee. And the proactive approach shown in ensuring the organisation maintains the high standard of governance.



**Brain McMurray**  
**Audit Committee Chair**  
**27<sup>th</sup> June 2012**

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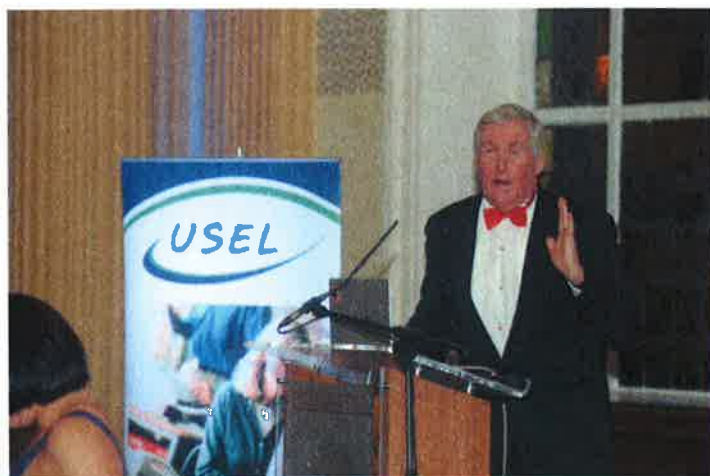
## Management Commentary by the Chief Executive

This report deals with our activities from 1<sup>st</sup> April 2011 to 31<sup>st</sup> March 2012.

As visitors leave my office they always note the plaque I have attached to the inside of the door, it reads "failure is not an option". These words are attributed to the NASA flight director Gene Kranz who oversaw the rescue of Apollo 13. In fact he never actually said those words, he did say "we simply and calmly laid out all the options, and failure was not one of them". This has become an unwritten ethos within USEL, especially in the year that has passed, we cannot and will not accept failure.

We ended the year in great style as we celebrated our 50<sup>th</sup> birthday. Over 200 guests attended a gala ball in the Great Hall at Belfast City Hall. I am grateful to the Lord Mayor, Councillor Niall Ó Donnghaile and the councillors for granting USEL the use of this esteemed facility. It was a fitting way for a city to mark such a milestone in our history.

The evening was ably hosted by Kirstie McMurray of Cool FM and Mr Miles Hilton Barber was our after dinner speaker. The evening was a complete success and the support shown by all, especially by our sponsoring department was greatly appreciated.



This financial year was a challenge from the start, USEL operates a two division business model, this creates a see-saw effect. Balancing the commercial products and services with the Employment services. The Commercial products and Services division is effectively our social aims element. We exist to provide meaningful paid employment to people who live with disabilities, and it is through this division that we directly achieve that mission. The market space in which we operate has for a long time been shrinking, competition has been growing for less opportunity. So it is little wonder then that this division had such a difficult year.

Ordinarily that would not be a significant issue, the Employment Services division has for many years underpinned the organisation through small surplus returns. These have the effect of offset for the commercial products and services shortfall. This year however, with the closure at the end of the previous year of two key programmes and the unavailability of new programmes to deliver, we experienced a significant shortfall in revenue opportunity. Both divisions having a depressed market opportunity has led to the final outcome we now report, £203,000 loss before depreciation, FRem adjustments and FRS17 pension costs.

This result while disappointing was not entirely unexpected, if it were not for the growth in our Sub contract role for Steps to Work for both the training department and the employment services team 2 the result could have been significantly worse. Thankfully we identified a number of years ago that the organisation needed to build reserves for just such an event. Without this preparation and the facility it provided we would have had no choice but to take draconian steps during the year to weather the storm. I firmly believe we have dipped as far as we can, I am positive that the next financial year will be challenging but rewarding as we climb back up from the depressed market.

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Pictured with Dr Stephen Farry are Sam Humphries, Chief Executive of USEL, and USEL employee Sona Andelova.

During such trying times it is always refreshing to have the support of our sponsoring department. We again hosted a ministerial visit with Dr Stephen Farry. The minister helped us to launch our 50<sup>th</sup> year celebrations and encouraged the employees by reinforcing his departments' commitment to USEL.

His positive support for USEL has encouraged the team to keep driving forward. How we will achieve this I will deal with at the end of my commentary.

The company web site continues to be a great source of positive activity. Two years ago one of our clients rebuilt the site, and in the last year two new clients re-designed it and refreshed it again. The great news is, on the back of this is they have teamed up to go into business as self-employed web developers.

The internet has also been a new source of income for USEL. In September we launched a small e-bay shop to sell our overstocked leather fashion satchels. To date we have achieved £13,000 of annualised sales through the shop. We will now build upon that success in 2012-2013.

Our training endeavour has grown again, in this financial year we set up yet another training room in the centre of Belfast to accommodate more Steps to Work clients. Our attention now moves to the other satellite office training rooms and their development.

This year was also highly positive for USEL as we received three key recognitions.

In October 2011 USEL achieved recognition as an IiP Silver award company. This is a superb recognition of the underlying ethos and culture of USEL.

USEL was runner up in the 2010-2011 Northern Ireland Region National Training awards, medium employer category.



**National  
Training Awards**



USEL was a UK finalist for Social Enterprise of the Year award, nominated by PWC in the Private Business awards for 2011.

It was a great boost to the organisation to be named alongside Bryson as Northern Ireland finalists, and to be selected to attend the London awards was a truly remarkable recognition of USEL.



**Primary Objective**

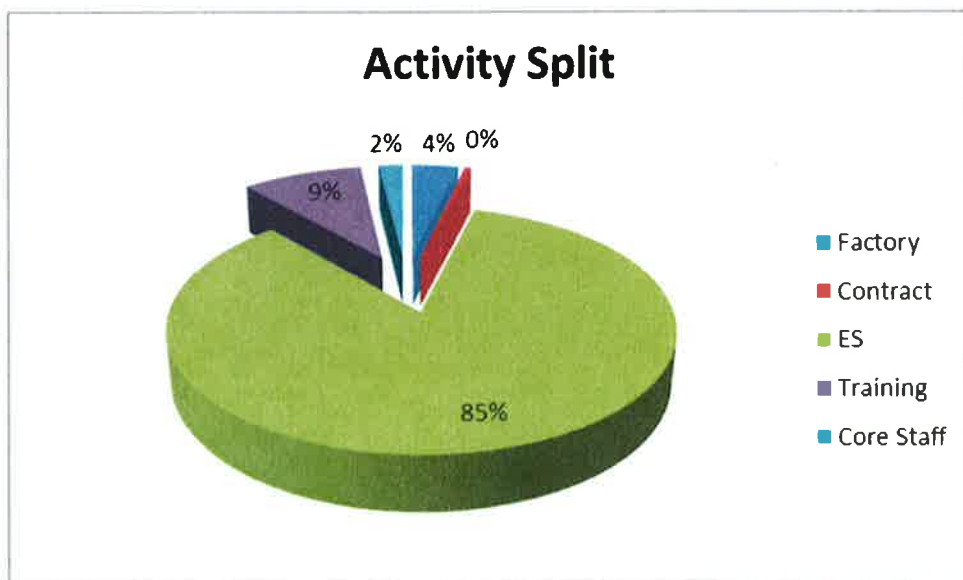
Delivering our mission objectives is stated very succinctly as **Supporting, Providing** and **Promoting** employment opportunities for those people in our society, across Northern Ireland, who live with disability or a health condition.

In terms of USEL's core employees we continue to ensure personal development which leads to their personal choices being expanded through accredited training outcomes and this year we delivered 87 internal accreditations.

Disability and health issues can be significant barriers to people achieving the employment aspirations of their choosing. So it is our job to provide the appropriate level of support, mentoring, guidance or enablement to assist those people who want to find, gain and retain a job of their choosing.



The chart shows the split in terms of people between the various activities of our business, it clearly shows that our largest and increasing people impact activity is focused on mainstream employment activities. With the addition of our training services external delivery we can see an increasing quotient of people being impacted.

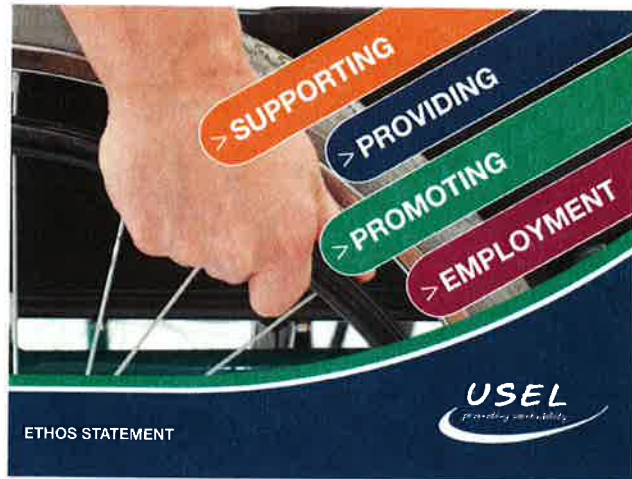


**Delivery of the Objective**

**1: Supporting**

**2: Providing**

**3: Promoting Employment**



**Employment:**

It is crucial to remember that USEL operates with the sole intent of providing employment, either directly through our commercial products and services division, or through direct employment with USEL as the core employer or indirectly through the activities of the programmes we deliver.

**1: Supporting:**

**Employment Services Division:**

This division comprises three departments at present. These departments represent a delivery strand based on teams and the types of programmes they deliver. The model has crept a little in the past year as we have sought to generate efficiencies using our satellite offices to a higher degree. Officers based in these offices have widened their programme delivery for the geographical area. This as reported previously has led to a 9.5% reduction in the number of miles utilised in the delivery of our programmes.

Team 1: This team has delivered the employment Support programme since its inception back in 1982. When Workable came along in 2006/2007 this team took on the programme also as both are interventions with clients which traditionally last significantly longer than placement style programmes. We have always recognised the skill set differential in delivering these long term intervention programmes. We have noted a significant increase in support needed during the overall time of recession and economic difficulty. Employers need to cut costs and many times our clients can be within the pool selected for employment impact as a result of the employers need to trim back for survival.

Team 2: This team has traditionally handled shorter term intervention programmes. In the last financial year New Deal for Disabled People and Pathways Work Prep were both under this team. These programmes closed to new participants over the last 18 months. We continued to provide a limited support to some of the clients from these programmes into the start of this financial year. This team expected to have the new Work Connect contract available at either prime contract or sub contract delivery, but it was not launched for tender response until the end of the financial year. In the meantime the team started delivering the back to work provision for the Steps to work contract delivery through the prime contractors. This development allowed the team to remain intact while we await the outcome of the tender process.

The overall concept for supported employment is to provide the required level of support to permit the individual to achieve their aspirations for employment. This means it is by nature not a one size fits all approach. Our teams are highly skilled at assessing individuals and helping them to realise their realistic goals. As you can imagine the prolonged financial circumstances and high unemployment adds a significant degree of difficulty, one which I am pleased to say has been largely met and overcome by the team.

Through the activities of the team we have supported over 1,494 people this financial year. This is just over 100 fewer people than last year, but given the closure of key programmes it is a very strong showing.

The team continues to be supported by the activities of the internal marketing team. This team opens up opportunities for the officers and carries out an initial job search on the clients' behalf.



# Ulster Supported Employment Limited

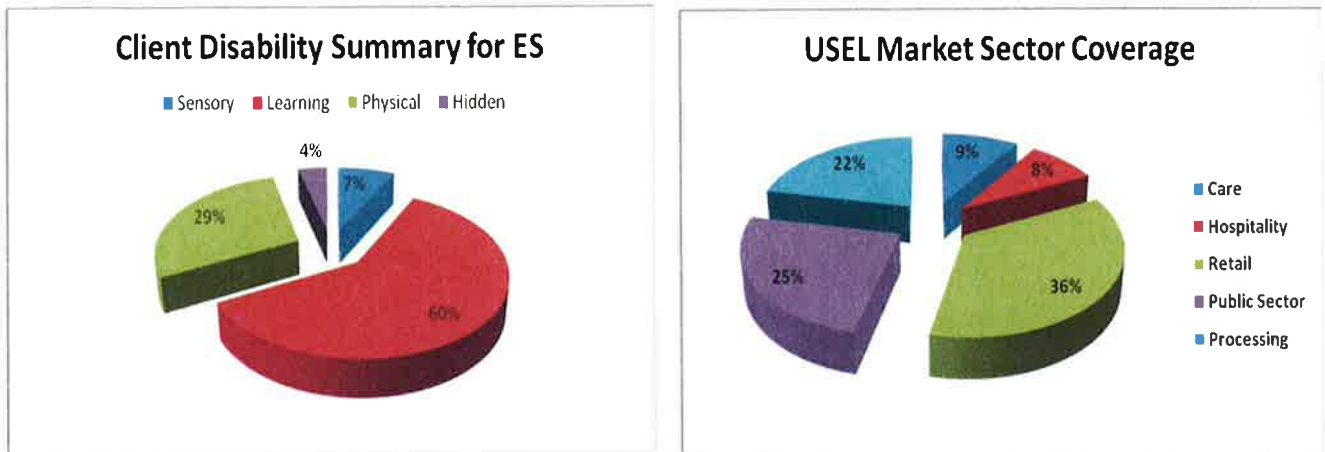
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The table below shows the extent to which we have promoted USEL and our client group:

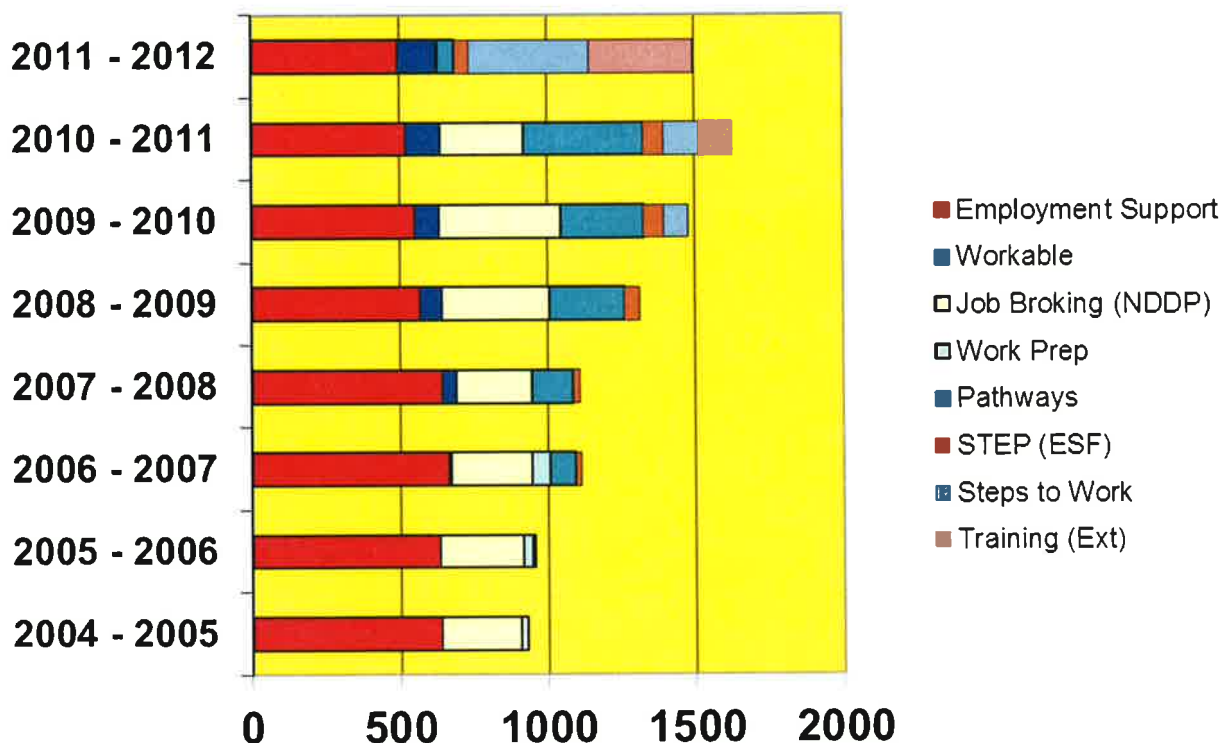
<b>Date</b>	<b>Exhibition</b>	<b>Subject</b>
11 <sup>th</sup> May 2011	Disability Action, North West	Exhibition for people with disabilities
22 <sup>nd</sup> September 2011	Disability Action Invest NI	Working for Me – Self Employment Options for people with disabilities
22 <sup>nd</sup> September 2011	Jobsfair and Advice Forum, Londonderry	Jobsfair
8 <sup>th</sup> October 2011	Business in the Community Annual Workplace Conference	Annual Workplace Conference
12 <sup>th</sup> October 2011	Jobfair Exhibition	Jobsfair
8 <sup>th</sup> November 2011	Legal Island – Annual Review of Employment Law	One day event/conference focussing on key developments in employment law over last 12 years
23 <sup>rd</sup> November 2011	Legal Island – Annual Review of Employment Law	One day event/conference focussing on key developments in employment law over last 12 years
25 <sup>th</sup> November 2011 9.00 am – 1.00 pm	STEM Interactive Careers Event	Careers Event for Special Needs Schools  Interactive Demonstration event
2 <sup>nd</sup> December 2011	Belfast City Council Disability Event	Theme for Event: "Together for a better world for all: including persons with disabilities in development".
18 <sup>th</sup> January 2012	Cushendall Job Fair	Job Fair
25 <sup>th</sup> January 2012	Workskills Showcase Events NEELB	Interactive event for Special Need Schools
16/17 February 2012	Church Resources 2012	Pew Cushion sales to Churches
29 <sup>th</sup> March 2012	Information Evening Brooklands Youth Centre	Information evening for parents of children with special needs
26 <sup>th</sup> April 2012	Legal Island HR Conference	HR Conference

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Two key indicators of our client group and market sectors are shown in the following charts. There are no material changes to either profile for this year.



## Overall Programme metrics: 1,494 people supported externally during 2011 - 2012



The key delivery areas of the Employment Services Division are:

- A: Employment Support Scheme**
- B: Workable NI**
- C: New Deal for Disabled People (Final support Ceased May 2011)**
- D: Pathways to work (Work Preparation) (Final support Ceased Oct 2011)**
- E: STEP V**
- F: Steps to Work**

### A: Employment Support Scheme

The programme is now in its 30<sup>th</sup> year of operation by USEL, we remain the largest provider of this programme in Northern Ireland with 495 clients remaining active on the programme at the year end. 25 clients have left the programme throughout the year with 4 progressing into open employment. This programme was designed to provide long term supports which included a wage offset provision for employers.

# Ulster Supported Employment Limited

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USEL continues to work with the department and numerous employers across the province to ensure the current clients are supported in the way they need.

One of the objectives and targets of the programme is to develop clients to the point where they can enter fully unsupported employment, or Open Employment. This past two years our officers have teamed up with representatives of the Disablement Advisory Service to ensure the maximum opportunity is presented to clients who may wish to seek to progress.

This year 13 of our clients progressed one stage to be included, for the first time, on their host company payroll. This is one step closer to open employment.

### **B: Workable NI**

This programme was expected to move into a new round of tendering at the end of this financial year, due to unforeseen circumstances it has been extended to allow the tender process to complete fully. In the past year the distance travelled toolkit and the quality assessment tool have continued to be developed and enhance the service delivery. We closed out the year having supported 131 clients.

### **C: New Deal for Disabled People**

The residual clients on the programme were closed out in May 2011 when 3 clients were finally sustained in their employment. This brought to an end the 10 years of successful delivery on behalf of clients by USEL. During this 10 years over 2,100 clients were supported in this programme.

### **D: Pathways to Work (Work Preparation)**

The programme closed at the end of last financial year and we continued to provide support to 58 clients until October 2011. During the 9 years of this programme delivery we supported over 1,300 people.

### **E: STEP V (Skills Training for Employment)**

This is the first year of the new phase for this programme which is a European funded enrichment programme under the BSF funding stream. This programme has a number of highly challenging outcomes defined by our tender response. It aligns with our strategic key to impact more people across Northern Ireland.

The programme aims to deliver 38 full time traineeships per annum, 5 USEL internal traineeships and 240 OCN accredited outcomes per annum these are primarily directed towards the external client group we have through the other programmes, but USEL internal employees can also access the OCN accredited training as required. Collectively we delivered 333 OCN accredited outcomes.

Between April 2011 – March 2012 49 (FTE) Clients started the STEP programme with 81% moving into employment.

### **F: Steps to Work**

This programme has started to provide significant opportunities to the company. 245 clients have been supported through this year with USEL providing a wide range of the programme supports.

### **Programme Stories.**

#### **Kenny's Story**

Kenny from Carrickfergus joined the Workable (NI) Programme with USEL. Kenny has Aspergers Syndrome which caused him to experience difficulty with his communication and social skills.



## **Ulster Supported Employment Limited**

### **(A company limited by guarantee and not having a share capital) 18**

The Workable (NI) Programme provides people with disabilities with individual tailored support and guidance to help them find and retain suitable employment.

Support includes job search guidance, job trainer or job coach support, on and off the job training and access to practical advice.

A support package is also agreed between the employee, employer and USEL for a two-year period but may be extended depending on the employee's individual needs.

Kenny was initially assigned to USEL's Employment Services Officer, Tessa Montague, who worked closely with him to assist him in his job search.

As Kenny enjoyed manual tasks Tessa sourced a vacancy with Elior, a cafe franchise in Tesco, Newtownabbey. Initially Kenny's job duties included helping in the kitchen with the washing up and unloading of the dishwasher.

Kenny was then assigned to USEL's Employment Services Officer, Kevin Bartlett who looked at increasing his range of duties within the cafe. Kevin progressively took on more duties and gradually overcame his communication barriers. Previously Kenny had found working directly with customers very difficult.

Kenny is now working on the front server and the till within the cafe. He started by working in the staff canteen and progressed to the public counter. Preparation, cooking, serving and cleaning are now all part of Kenny's job role and he has become a huge asset to the cafe.

Maggie Shields, Operations Manager, Northern Ireland, Elior, commented "We are delighted by the work carried out by Kenny and overjoyed that he has developed his skills and confidence within our site at Newtownabbey. He is very conscientious and hardworking and has really progressed within his job role. He is a huge part of our team."

Through Workable NI Kevin was able to undertake a programme of self-development and overcome his communication difficulties with the support provided by USEL. Through this support Kevin has now been able to progress to unsupported employment.

### **Janet's Story**

Janet from Coleraine registered on the New Deal for Disabled People Programme (NDDP) after being made redundant from her position as an administrator for the Causeway Volunteer Centre.

The NDDP Programme is a programme of practical advice and support, which helps people move from disability and health related benefits into paid employment.



Janet was assigned to Jo Jennings, USEL's Employment Services Officer. Janet wanted to gain employment as an administrator and Jo sourced a voluntary year placement as an administrator/receptionist for Janet in the Riding for the Disabled Association (RDA) in Coleraine.

Upon completion of the placement the centre recruited Janet for a further six months under the Step 4 programme.

The STEP programme is a paid position which is funded by the European Social Fund and offers people with disabilities or health conditions the opportunity to gain employment skills and qualifications.

Participants benefit from accredited training opportunities, skills acquisition, and job match and in-work support services necessary to gain permanent paid employment

During the programme Janet gained an OCN qualification in customer services. Upon completion of the placement Janet was offered a permanent position with the centre under the Workable NI programme.

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The Workable (NI) Programme provides people with disabilities with individual tailored support and guidance to help them find and retain suitable employment.

Support includes job search guidance, job trainer or job coach support, on and off the job training and access to practical advice.

A support package is also agreed between the employee, employer and USEL for a two-year period but may be extended depending on the employee's individual needs.

Alongside regular mentoring and job coaching, Jo has also delivered training to Janet in Confidence Building and Assertiveness and Decision Making.

Through Access to Work, which provides the employer with support and advice with extra costs because of a disability or health condition, Janet was given assistance with travel arrangements and specialist equipment.

Janet has proved to be an invaluable member of staff; she is growing in confidence and has developed a number of account spread sheets to assist with the financial running of the club.

Albert Clyde, Director RDA, commented "Janet has been with us since we opened and from day one she has been an outstanding employee, turning her hand to all tasks with a cheerful demeanour. Janet has proved an asset to RDA not only in her paid role but also as a volunteer at various show jumping events; collecting entrance money, selling raffle tickets and generally helping out when needed. The support provided by USEL has been second to none and with Jo Jennings' help we have seen Janet develop fully into her role within the RDA and we look forward to working with Jo and USEL again."

### Anthony's Story

Anthony from Dunmurry was referred on to the Steps to Work Programme and was assigned to Geraldine Lawless, USEL's Employment Services Officer.

Anthony had been unemployed for more than two years. Anthony has muscular dystrophy, is a wheelchair user and requires additional assistance and support in the workplace.

The Steps to Work Programme is designed to help participants who are unemployed or economically inactive to find and sustain employment. Participants will be provided with a programme of support including personal development and work skill training as well as providing work experience placements to help participants move into or return to the workplace.

All participants on the programme are allocated an adviser who provides support and guidance in their search for employment.



Paula Bradley, Duty Manager, Ulster Museum with Anthony

Geraldine met with Anthony to explore his employment options. Anthony expressed an interest in working in a customer services role and Geraldine sourced him a work experience placement in the reception area of the welcome zone of the Ulster Museum.

The role involved answering the telephone, handling visitor queries and providing visitors with information on the various exhibitions. This required good communication, interpersonal and customer service skills.

During the programme Anthony significantly developed his employability skills and increased his confidence.

Anthony commented "Working at the museum was a great experience; I had a good relationship with my colleagues and I enjoyed engaging with the public. A major contributing factor to the success of the placement was the support of Geraldine Lawless at USEL who organised the placement and supported me throughout."

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Director of Ulster Museum, Lee McLean added "Anthony has played a significant role in the life of the museum and an asset to the members of staff."

Anthony's participation on the programme has enabled him to return to the workplace after a long period of unemployment. Anthony has also developed his confidence and employment skills which will greatly assist him in his search for permanent employment.

### Jonathan and Philip Progress to Self Employment through Steps to Work

Jonathan from Newtownabbey and Philip from Belfast joined the Steps to Work Programme in August 2011.

They were both interested in website design and working within a creative industry. Philip had graduated from university with a BA Hons in Creative Imaging and Jonathan had previously completed work in website design on a non-paid capacity.

Both Jonathan and Philip accessed the Steps to Work Programme via Jobseekers. Steps to Work is designed to help people who are unemployed to secure employment by learning new skills and improving their work experience. Participants are allocated an adviser who provides support and guidance in their search for employment.



During the programme Jonathan and Philip successfully completed a Vocationally Related Qualification (V.R.Q.) in website design which enabled them to further develop their skills in this area. They also completed their work experience with USEL which involved the redesign of the corporate website and the implementation of various types of code to create a more modern version of the site.

Jonathan and Philip expressed an interest in starting up their own website business during their work experience placement and received guidance and support from USEL and advice on the self-employment options open to them. They are now at the early stages of setting up their own business, Creative Web Fusion.

Katherine Redpath, Marketing Officer at USEL commented "We are delighted with the work carried out by Jonathan and Philip. We now have a much more modern website which is both easy to navigate and manage. I would not hesitate in recommending them to other organisations."

Jonathan commented "Without the help provided by USEL in providing the training and mentoring me I feel that my confidence would not have grown and that I would not be in a position to start my own business."

Philip added "The assistance I have received from USEL in relation to website design has been invaluable. In addition to gaining more confidence in myself I have also been able to develop the skills required to start up on my own."

### 2: Providing:

#### Commercial Products and Services division:

This division has 4 departments within its organisational delivery model. Bedding, Industrial sewing, Contract services and Factored goods.

Bedding: This department was impacted to the highest degree with the shortfall in market opportunities. The revamped ranges at the end of last financial year helped a little but growing competition in the market from low cost alternatives has seen the market develop a more cyclical approach to manufacturers. Retailers are changing suppliers between 3 to 4 months, simply to try and tempt customers in with a new offering. We have brought in a contractor to assist USEL in improving the ranges again, reducing raw material consumption and increasing the aesthetics of the product.

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We have seen some gains here, in one instance this exercise has removed raw materials from the bill of materials which were unnecessary and now for each roll of fabric we save around 2 beds worth. This is important as margins are being pressed and we have noted a shrinking of margins as overheads grow, raw material increase and sales prices are being forced down.

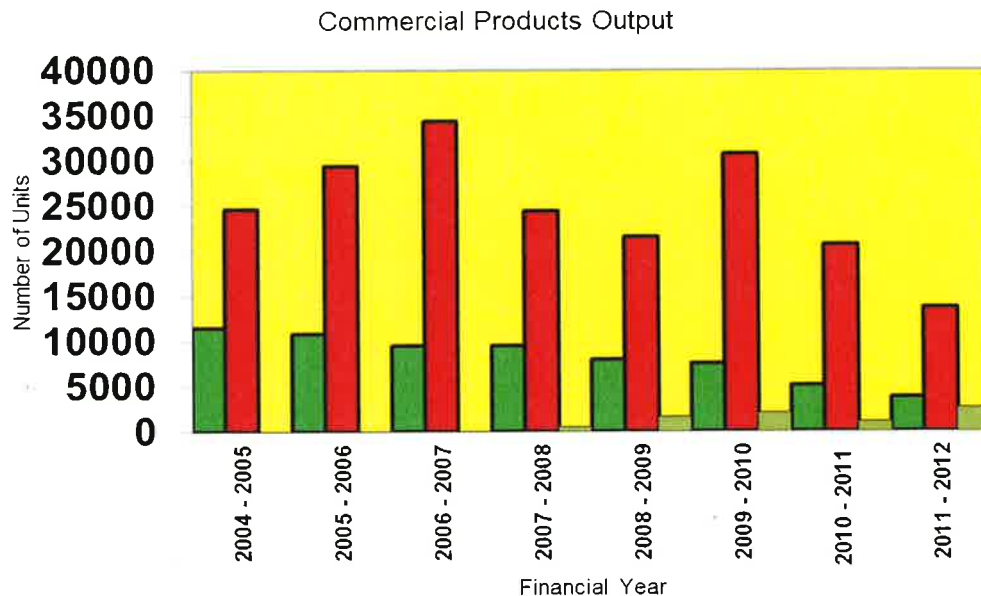
**Industrial Sewing:** This department has had a strong year on the back of positive contract growth in the public sector contracts and private sector opportunities. Of the sample products we make over 89% of these convert to actual orders. This is a truly remarkable conversion rate and demonstrates the effectiveness of the team at selecting opportunities that have a real opportunity to reach order status.

**Contract Services:** This department primarily looks after the rental of the space at Cambrai Street which USEL currently does not utilise for the delivery of the existing business. In 2011 Bryson Electrical recycling approached the company and asked for an extension to the space they occupied. This has resulted in a significant relocation exercise which completed at the end of March 2012. The USEL production and storage space has been compressed into around 35,000 sq ft with what is now known as Arc recycling occupies the balance. With the rental of the exterior by the Landscape Centre for their Belfast operations this ensures all available Cambrai Street space is fully utilised and returning an income.

This division also has responsibility for the provision of the CCTV monitoring services to the Londonderry / Derry City Centre Initiative. This contract looked to be in a state of flux during the year but at present we continue to deliver this service.

**Factored Goods:** This element of the division was set up to provide complimentary goods to the products we made and sold. It had some initial success and continues to be a useful cross selling and upselling tool for the organisation. We plan to do more work on identifying products we can procure, add value to and sell on as either main line products or complimentary to our ranges available.

The chart shows the product output over the last 8 years.



### 3: Promoting:

**Team 3:** The training team grew in the year as we took on more Steps to Work provision training delivery. Our strategic growth is facilitated by the use of associate trainers which provides a flexible cost model. Essential skills delivery was planned for the very end of the year but this only became a reality after the year end had passed, so we look forward to this being a significant income report next year. We opened a new training suite at Albany House, Great Victoria Street, Belfast. We recruited a new business manager to head up the next phase of the growth of this department. This

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department is strategically planned to grow into a division within USEL over the next 3 – 5 years.

This team delivered 624 accredited outcomes to over 300 clients in 2011-2012 year.

As part of that growth we have been engaged at a strategic level with Microsoft as we conceptually develop a new approach to training people with disabilities to meet the Microsoft accreditation standards with a view to improving their overall employability. This effort took a significant strategic step when through this activity Microsoft Education and Workability International came together at the European Parliament for an historic alliance. This was hosted at the European Parliament in Brussels and was attended by the Vice president of the EU parliament.



Attendees left to right: Frank Flannery (Workability International), Nigel Hopkins (WI & Remploy FD), Steven Dougan (Microsoft Worldwide Education Strategy manager), Mark East (Microsoft Education General Manager World Wide), Patrick Maher (Workability International President), Sam Humphries (CEO USEL) Jim Higgins (MEP), Mr. Vidal-Quadras (Vice President EU Parliament), Regina Murray (Microsoft Education Director Western Europe), Arthur Savage (USEL Employment Services Business Manager), Hugh McNally (USEL partner and WI liaison), Paddy Keogh (Skillnet Ireland), Noel Grealish TD, Tim Holmes (Workability International Secretary), Dr Kevin Marshall (Microsoft Education Lead for Ireland).

### Customer Satisfaction Survey

As a company we annually engage with clients and employers to ensure we are listening to and responding to the needs of the clients. This year we carried out a survey across the Employment Support Scheme and Workable NI Programmes, New Deal for Disabled and The Wok Prep programmes. Further surveys were carried out in respect to commercial sales customers.

The survey was directed at employees and employers alike. The surveys focused on the delivery of the programme supports by the officers teams and were detailed in their approach. I have combined responses across the main programmes and summarised the results below.

#### Clients:

Satisfaction with USEL officers: 90.5%  
Satisfaction at the level of interaction with the officer: 95%  
Satisfaction with the contact availability of the officer: 92%  
Satisfaction with Employment: 91%  
Satisfaction with Training opportunities provided by employer: 70%

#### Employers:

Satisfaction with USEL supports: 95%  
Satisfaction with the Employees contribution to the employment: 95%  
Satisfaction with the USEL administration behind the programme: 94%

#### Commercial Products Customers:

Quality of USEL products: 91% satisfied  
Quality of customer service: 90% satisfied  
Competitiveness of USEL's prices: 89% satisfied  
Delivery service: 87% satisfied  
Overall satisfaction with USEL as a supplier: 95% satisfied



### **General Company information**

Having read some specific information regarding the activities of USEL I think it prudent to provide the reader with a high level overview of some more general information.

#### **1: Funding**

This financial year we received 8.8% (£678,421) of our income by way of grant from our sponsoring department.

#### **2: National Fraud Initiative:**

USEL was part of this in 2010-2011, the matching exercise monitoring continued into 2011-2012 but continued to show only minor data matches of an administrative nature. No fraud or attempted fraud was detected.

#### **3: Partnering**

This year our approach to partnering took on a new emphasis, as already discussed the Board embarked on a higher level strategic engagement exercise which has opened doors. We continue to work with the Northern Ireland Chamber of Commerce, and Business in the Community. Alongside this numerous sectoral relationships have been enhanced, with A4E, North City Training (Now Bryson Future Skills), Dairy Farm People First, Waide Training, Rutledge Training, Clanrye, RNIB, Action on Hearing Loss (Formerly RNID), all the local colleges have maintained their relationship with USEL.

In terms of the training department, through the efforts to realise the ability™ package we have continued to work with Microsoft, Workability International, National Learning Network, Netlink, Skillsnet and we are starting a new exploration with the European Forum on Rehabilitation.

We are also maintaining our relationships with The Disability liaison group and the Northern Ireland Union of Supported Employment and Disability Action.

The Social Economy Network ceased to exist in the last financial year, but we have maintained our connection to the sector and ensured we are at the heart of the next phase of development for a representative group for the sector.

We have increased our commercial partnering activities; Terry Fuller maintains his place on the National Bedding Federation. We have engaged with high level procurement officials in the province and across in the UK. We have entered tender selection opportunities with several UK wide blue light procurement bodies and our own local procurement people from BSO.

#### **4: ISO 9001 (2008 series)**

USEL holds the quality of products and service delivery close to the core of the business, we have had two external audits again this year and I am delighted that we received zero non conformances.

#### **5: DDO (Disability Discrimination Order)**

As a public entity USEL strives to achieve the highest standard of compliance in all matters. Recognising that everything we are as an entity is captured in the 2 main duties of the DDO we continue to develop our responses to the requirement.

#### **6: Section 75 Duties**

As a Non-departmental Public Body USEL has a requirement to comply with the Northern Ireland Act Section 75 Statutory Duties and produce an Equality Scheme outlining the processes the Company will follow to ensure its obligations are met. USEL maintains a firm commitment to meeting its Section 75 obligations. Linda Laird, our HR Manager has responsibility for the compliance and adherence with the full support of the Board and Senior management team.

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This year our revision of our Equality policy under Section 75 and the consultation exercise were completed and accepted by the Equality Commission for Northern Ireland.

### **7: USEL pension provision:**

The revision to the benefits package and the recovery plan agreed and accepted by the Pensions Regulator, following the 2009 actuarial valuation have been applied and met by employees and the company alike. As of 5<sup>th</sup> April 2012 we will be starting the three year actuarial review cycle again.

### **8: Auditor's Remuneration**

The Auditor's Remuneration is stated in Note 8 to the Financial Statements.

### **9: Reflection on 2011 – 2012**

This was a tough year, returning such a loss if far from ideal, however in the circumstances I believe the team performed exceptionally. They went after every opportunity they could conceive and were successful in a number of opportunities. It is a true testament to the team across the company that in the face of so many negative issues, they stoically kept working away and delivering, for that they are to be fully commended.

The process of Board transition was well managed between the chairman and the department, this has permitted a high degree of consistency, which was important in the circumstances.

### **10: The Future**

Our goal as a Non Departmental Public body is to achieve delivery of a balanced budget, even when the circumstances are highly difficult. We will follow the corporate governance requirements of an organisation with our NDPB status and ensure governance under such guidance as Managing Public Money Northern Ireland, DAO's and DFO's as issued.

2012-2013 will be another challenging year. We have produced a budget which is significantly better in expectation overall than the previous year, it is wholly dependent on a number of things.

#### **1: The Commercial Products and Services plans fully deliver:**

1: Factory Management: We will appoint a new deputy production manager to oversee the day to day operations of both Bedding and Industrial sewing departments. This will ensure efficiency is raised, labour content costs are reduced and production planning is more detailed and delivered on time every time to the highest quality standard. The role will permit the managers to focus on New Product or New Customer introduction and allow us to absorb more strategically any new business opportunities which arise.

2: WEB E-Commerce: Through the Graduate acceleration programme we will have a new graduate to take focus on our e-commerce delivery and as part of the INI backed interim Business Development manager process, create a joined up strategy for e-commerce development.

3: INI Backed Interim Business Development Project: This project is designed to provide external professional and seasoned support to the division to seek out new business opportunities and to assist to underpin existing business. The growth target is conservative but if delivered will certainly see the factory stabilise.

2: The Programmes for the Employment Services division are available and USEL is successful in achieving a prime contractor role or a sub-contractor role.

3: The training division, unencumbered by set up costs delivers the budget as expected and as is available through the programmes. Any capping due to budget constraints by the programme commissioners would impact this significantly.

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This is a pivotal year for USEL, the Board, Executive and I believe the department are fully committed to redressing the last years' negative return. It will not by any means be a simple or straight forward task, but one which must be achieved as given the options, failure cannot be one of them.



**Sam Humphries**  
**Chief Executive and Accounting Officer**  
**27<sup>th</sup> June 2012**

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## Remuneration Report

### Remuneration Policy

The remuneration of the Directors is decided by the Department for Employment and Learning. The remuneration of the Chief Executive is decided by the Chairman of the Board of Directors. All other remunerations are decided by the Chief Executive. The overall annual pay remit is approved by the Department for Employment and Learning and the Department of Finance and Personnel. The current policy is under review and it is hoped the review will be completed and approved within the next financial year. Details of remunerations (which are subject to audit) are set out below.

	2012		2011	
	Salary including performance pay £	Benefits in kind £	Salary including performance pay £	Benefits in kind £
P Bagues	5,574	-	4,137	-
B Mc Murray	2,051	-	2,402	-
MC Gibson	1,516	-	2,013	-
B Maitland	1,582	-	1,470	-
J Smyth	1,963	-	1,793	-
J Kelly	1,944	-	1,307	-
S Humphries	69,479	673	69,711	578

"Salary" includes gross salary, bonus and other benefits in kind subject to UK taxation.

The median salary during the year was £12,085; the highest paid director was Mr P Bagues whose remuneration for the year amounted to £5,574.

The company operates a uniform pension scheme providing benefits on a "final salary" basis at a normal retirement age of 65. Benefits accrue at the rate of 1/60<sup>th</sup> of pensionable salary for each year of service. The contributions to the scheme are determined by a qualified actuary based on triennial valuations using the Entry Age Normal Method and at present members pay contributions of 8% of pensionable earnings and the company pays 22.4%. Pensions increase annually in line with the Retail Prices Index up to a maximum of 5%. On death, pensions are payable to a surviving spouse at a rate of half the member's pension. On death in service, the scheme pays a lump sum benefit of three times pensionable pay and a spouse's pension equal to one half the member's prospective pension.

	Real increase in pension at age 65 £	Total accrued pension at 65 at 31 March 2012 £	Cash equivalent transfer value at 31 March 2011 £	Cash equivalent transfer value at 31 March 2012 £	Real increase in CETV during the year £
P Bagues	-	-	-	-	-
B Mc Murray	-	-	-	-	-
MC Gibson	-	-	-	-	-
B Maitland	-	-	-	-	-
J Smyth	-	-	-	-	-
J. Kelly	-	-	-	-	-
S Humphries	1,040	6,946	66,272	123,506	51,753

The above table is subject to audit.

Only Mr S Humphries accrues a pension: this is under a defined benefit pension scheme.

**Cash Equivalent Transfer Values**

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations and do not take account of any actual or potential benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

**Real increase in CETV**

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee and uses common market valuation factors for the start and end of the period.



**Sam Humphries**  
**Chief Executive and Accounting Officer**  
27<sup>th</sup> June 2012

**Statement on the system of internal control for Ulster Supported Employment Limited**

**Scope of Responsibility**

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of Ulster Supported Employment Limited policies, aims and objectives, whilst safeguarding the public funds and company assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money Northern Ireland. In this context the organisations' Financial Memorandum and Management Statement sets out the accountability arrangements for USEL.

**Purpose**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk, as this would lead to failure to achieve policies, aims and objectives. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of departmental policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Ulster Supported Employment Limited for the year ended 31 March 2012 and up to the date of approval of the annual report and accounts, and accords with DFP guidance.

**Capacity to Handle Risk**

The Company's objectives are determined by the Department for Employment and Learning and consist principally in the provision of paid employment and training for disabled people in Northern Ireland. USEL operates on strict commercial business lines with each manager held fully responsible for achieving his/her budget and targets. The key performance indicator system was again utilised throughout the business with key budgetary control reports being submitted to me on a weekly and monthly basis. The Whole Management Team operates to a Leadership standard that ensures compliance to corporate governance policies, and sound business practices through professional, ethical conduct.

During the year a new member of the Line Management team participated in the Chief Executive Forum run Accountability for Senior Managers training to increase their knowledge of the issue around operating under the Arms Length Body principles.

The Department for Employment and Learning's Director responsible for USEL together with the Head of the Branch meet with the Board on an Annual basis. The Head of Branch and appropriate assistant hold formal meetings with the Chief Executive and the Financial Manager on a monthly basis. The executive team communicate with the branch on a regular basis from operational matters to corporate matters, this is usually by e-mail or telephone contact. Other adhoc meetings are arranged as and when required.

**The Risk and Control Framework**

The Company's key risks have been identified by the Senior Management Team and recorded on a Risk Register where the ownership of the risks is allocated. This document is reviewed by management on an ongoing basis and by the Board of Directors on a biannual basis.

As Chief Executive I chair the Senior Management Team meeting, which has developed the Risk Management Policy. This team has identified risks posed to the achievement of the Company's strategic objectives and risks so identified are classified in a Risk Register. The Company's assessment of the risk, its controlled and ownership over them are also recorded. The key risk to the organisation is going out of business due to a reduction or elimination of funding or loss of 'market' in the trading division of the Company. The Risk register is kept under constant review by the management team and the Board and our Internal Auditors continue to monitor its appropriateness.

# **Ulster Supported Employment Limited**

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On the issue of Information Assurance I can confirm that USEL continues to enforce the policies set out to protect data. These include:

- \* Updating servers and Firewalls to meet latest security protocols.
- \* Issuing Encrypted USB devices to relevant staff
- \* Publishing a Data protection policy procedure for all staff
- \* Enforcing the company policies on mobile IT equipment

### **Review of Effectiveness**

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the department who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. The Board and the Audit Committee address weaknesses and ensure continuous improvement of the system is in place and advised me on the implications of the result of review of the effectiveness of the system of internal control.

An Audit Committee is in operation consisting of five Directors. It meets with the Company's internal and external auditors as required within the meeting timetable, normally the audit committee meets three times a year to discuss audit planning and to review and discuss the reports of the internal and external auditors. The Audit Committee is chaired by a non-executive Board member, and reports to the Board of Directors. The audit committee and Board members attend suitable courses which add to their knowledge portfolio and ensure their challenge function is maintained

The Company operates a system of internal controls commensurate with its size. The management and the Audit Committee review the effectiveness of the system of internal control regularly. Working to a schedule agreed with the Audit Committee the Internal Auditors test the system using an audit needs assessment approach, which includes risk management. Their findings are reported to the management team and to the Audit Committee who in turn report to the Board of Directors.

### **Significant Internal Control Issues**

During the past year the Internal Auditors found no significant adverse control issues. In fact they found that all the systems tested provided satisfactory assurance that they accomplish their system objectives.



**S A Humphries**  
**Chief Executive and Accounting Officer**  
**27<sup>th</sup> June 2012**

## **ULSTER SUPPORTED EMPLOYMENT LIMITED**

### **THE CERTIFICATE OF THE COMPTROLLER AND AUDITOR GENERAL TO THE MEMBERS OF ULSTER SUPPORTED EMPLOYMENT LIMITED**

I certify that I have audited the financial statements of Ulster Supported Employment Limited for the year ended 31 March 2012 under the Companies (Public Sector Audit) Order (Northern Ireland) 2008. These comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and the related notes. These financial statements have been prepared under the accounting policies set out within them. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as adopted by the European Union. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

#### **Respective responsibilities of the directors and auditor**

As explained more fully in the Statement of Director's Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to examine, certify and report on the financial statements in accordance with the Companies (Public Sector Audit) Order (Northern Ireland) 2008. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to Ulster Supported Employment Limited's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by Ulster Supported Employment Limited; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income reported in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions conform to the authorities which govern them.

#### **Opinion on Regularity**

In my opinion, in all material respects the expenditure and income have been applied to the purposes intended by the Assembly and the financial transactions conform to the authorities which govern them.

#### **Opinion on financial statements**

In my opinion the financial statements:

- give a true and fair view of the state of Ulster Supported Employment Limited's affairs as at 31 March 2012 and of its net expenditure after interest, other finance costs and impairments, attributable to DEL for the year then ended; and
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- have been prepared in accordance with the Companies Act 2006.



**Opinion on other matters**

In my opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with directions made under the Government Financial Reporting Manual; and
- the information given in the Directors' Report and Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which I report by exception**

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit; or
- the Statement on Internal Control does not reflect compliance with Department of Finance and Personnel's guidance.

**Report**

I have no observations to make on these financial statements.



*KJ Donnelly*  
Comptroller and Auditor General  
Northern Ireland Audit Office  
106 University Street  
Belfast  
BT7 1EU

28 June 2012

**Ulster Supported Employment Limited**  
**(A company limited by guarantee and not having a share capital)** **32**

**Statement of Comprehensive Net Expenditure  
for the year ended 31 March 2012**

	Notes	2012 £	2011 £
<b>Expenditure</b>			
Staff costs	3	<b>(6,646,669)</b>	(7,181,877)
Depreciation and amortisation	9	<b>(79,837)</b>	(81,820)
Other expenditure	4	<b>(988,862)</b>	(965,497)
		<b>(7,715,368)</b>	(8,229,194)
<b>Income</b>			
Income from activities	5	<b>6,985,002</b>	7,928,812
Other income		<b>13,264</b>	966
		<b>6,998,266</b>	7,929,778
Net Expenditure		<b>(717,102)</b>	(299,416)
Interest receivable	6	<b>489</b>	420
Other finance costs	7	<b>(13,000)</b>	(105,000)
Impairment charge	9	<b>(120,225)</b>	(121,061)
<b>Net Expenditure after Interest, Other Finance Costs and Impairments, attributable to DEL revenue account</b>	<b>8, 15</b>	<b>(849,838)</b>	(525,057)

There is no significant difference between the operating cost for the year and the net operating costs for the year attributable to DEL Revenue account stated above, and their historical cost equivalents.

The notes on pages 36 to 49 form part of these financial statements.

**Ulster Supported Employment Limited**  
**(A company limited by guarantee and not having a share capital)**

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**Statement of Financial Position at 31 March 2012**

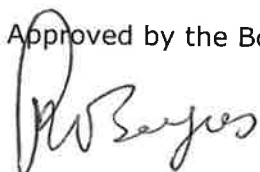
	Notes	2012 £	2011 £	2010 £
<b>Non-Current Assets:</b>				
Property, plant and equipment	9 (a)	<b>1,192,034</b>	1,343,157	1,618,337
Intangible assets	9 (b)	<b>15,436</b>	23,523	31,420
		<b>1,207,470</b>	1,366,680	1,649,757
<b>Current assets</b>				
Inventories	10	<b>133,453</b>	156,516	147,773
Trade and other receivables	11	<b>1,132,239</b>	1,388,755	1,771,204
Cash and cash equivalents	12	<b>6,920</b>	95,486	129,299
		<b>1,272,612</b>	1,640,757	2,048,276
		<b>2,480,082</b>	3,007,437	3,698,033
<b>Total assets</b>				
<b>Current liabilities</b>				
Trade and other payables	13	<b>(878,981)</b>	(1,017,164)	(1,544,149)
<b>Non-current assets plus net current assets</b>				
		<b>1,601,101</b>	1,990,273	2,153,884
<b>Non-current liabilities</b>				
<b>Pension liabilities</b>	20	<b>(2,657,000)</b>	(2,030,000)	(3,480,000)
<b>Assets less liabilities</b>				
		<b>(1,055,899)</b>	(39,727)	(1,326,116)
<b>Reserves</b>				
Department for Employment and Learning	15	<b>(1,055,899)</b>	(39,727)	(1,432,695)
Revaluation reserve	16	-	-	106,579
		<b>(1,055,899)</b>	(39,727)	(1,326,116)

For the year ending 31 March 2012 the company was entitled to exemption from audit under section 482 of the Companies Act 2006 relating to companies subject to public sector audit.

Directors' responsibilities: the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476, the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The company meets the Department of Finance and Personnel's definition of a non profit making company. The accounts are subject to audit by the Comptroller and Auditor General for Northern Ireland by virtue of an order under Article 5(3) of the Audit and Accountability (Northern Ireland) Order 2003 (S.I. 2003/418 (N.I. 5)).

Approved by the Board of Directors on 27 June 2012



P Bagues  
**Chairman**

The notes on pages 36 to 49 form part of these financial statements.

**Registered No. NI 005192**

**Ulster Supported Employment Limited**  
**(A company limited by guarantee and not having a share capital)** **34**

**Statement of Cash Flows**  
**for the year ended 31 March 2012**

	Notes	2012 £	2011 £
<b>Cash flows from operating activities</b>			
Net Expenditure		<b>(717,102)</b>	(299,416)
Adjustments for non cash transactions			
Depreciation and amortisation	9	<b>79,837</b>	81,820
Difference between pension charge and cash contributions		<b>(230,000)</b>	(272,000)
Decrease in Inventories	10	<b>23,063</b>	(8,743)
Decrease in trade and other receivables	11	<b>256,516</b>	382,449
(Decrease) in Trade and other payables	13	<b>(138,183)</b>	(526,985)
<b>Net cash outflow from operating activities</b>		<b>(725,869)</b>	(642,875)
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	9	<b>(40,852)</b>	(27,409)
Proceeds of disposal of property, plant and equipment		-	2,121
<b>Net cash outflows from investing activities</b>		<b>(40,852)</b>	(25,288)
<b>Cash flows from financing activities</b>			
Grant from parent department	15	<b>678,421</b>	633,930
Prior year adjustment in respect of parent dept	15	<b>(755)</b>	-
Interest received	6	<b>489</b>	420
<b>Net financing</b>		<b>678,155</b>	634,350
<b>Net increase in cash and cash equivalents in the period</b>		<b>(88,566)</b>	(33,813)
<b>Cash and cash equivalents at the beginning of the period</b>		<b>95,486</b>	129,299
<b>Cash and cash equivalents at the end of the period</b>	12	<b>6,920</b>	95,486

The notes on pages 36 to 49 form part of these financial statements.

**Ulster Supported Employment Limited**  
**(A company limited by guarantee and not having a share capital)** **35**

**Statement of Changes in Taxpayers' Equity**  
**for the year ended 31 March 2012**

	<b>Dept for Employment and Learning</b>				
	<b>Loan Account</b>	<b>General Fund</b>	<b>General Reserve</b>	<b>Revaluation Reserve</b>	<b>Total Reserves</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Balance at 1 April 2011</b>	2,338,442	(2,388,169)	10,000	-	<b>(39,727)</b>
FRS 17 actuarial gain		(844,000)			<b>(844,000)</b>
Grant from parent department		678,421			<b>678,421</b>
Retained deficit		(849,838)			<b>(849,838)</b>
Prior year adjustment	(755)				<b>(755)</b>
Net loss on revaluation of property, plant and equipment					
<b>Balance at 31 March 2012</b>	2,337,687	(3,403,586)	10,000	-	<b>(1,055,899)</b>

	<b>Dept for Employment and Learning</b>				
	<b>Loan Account</b>	<b>General Fund</b>	<b>General Reserve</b>	<b>Revaluation Reserve</b>	<b>Total Reserves</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Balance at 1 April 2010</b>	2,338,442	(3,781,137)	10,000	106,579	<b>(1,326,116)</b>
FRS 17 actuarial gain		1,283,000			<b>1,283,000</b>
Grant from parent department		633,930			<b>633,930</b>
Retained deficit		(525,057)			<b>(525,057)</b>
Adjustment in respect of property, plant and equipment		1,095			<b>1,095</b>
Net loss on revaluation of property, plant and equipment				(106,579)	<b>(106,579)</b>
<b>Balance at 31 March 2011</b>	2,338,442	(2,388,166)	10,000	-	<b>(39,727)</b>

# **Ulster Supported Employment Limited**

## **(A company limited by guarantee and not having a share capital)**

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### **Notes to the financial statements for the year ended 31 March 2012**

#### **1 Statement of accounting policies**

The financial statements are prepared on a going concern basis in accordance with the accounting and disclosure requirements of the Companies Act 2006 and applicable accounting standards issued by the International Accounting Standards Board in a form directed by the Department for Employment and Learning with the consent of the Department of Finance and Personnel. Without limiting the information given, the accounts also comply with the accounting and disclosure requirements contained in the Government Financial Reporting Manual (FReM) and accounting and disclosure requirements issued by the Department of Finance and Personnel. The particular accounting policies adopted are described below.

The effect of compliance with FReM in respect of the accounting for grant in aid is set out in note 15.

#### **Accounting convention**

The financial statements are prepared on the accruals basis under the historical cost convention as modified by the revaluation of certain Non Current Assets and in accordance with approved accounting standards. Despite the deficit in the Statement of Financial Position arising from the impact of FRS 17 – Retirement Benefits, these accounts have been prepared on the going concern basis because the pension deficit does not require immediate funding in full. Contributions to the pension scheme continue to be made on the basis of recommendations made by the scheme actuary.

#### **Property, plant and equipment and depreciation**

Long leasehold buildings are stated at open market value and other Non-current assets are stated at net current replacement cost.

Tangible Non-current assets are depreciated on a straight-line basis at rates designed to write off the cost of these assets over their expected useful lives. The annual rates are based on the following useful lives:

- Long leasehold buildings - 50 years. There are some leasehold improvements that have been made to the building that are being depreciated over 10 years.
- Plant and office equipment, except information technology - 10 years
- Information technology – 5 years
- Motor vehicles - 4 years

#### **Intangible assets and amortisation**

Intangible Assets comprise software licenses which are stated at net current replacement cost. Intangible Assets are amortised on a straight-line basis over 5 years, this being their expected useful lives.

#### **Inventories**

Inventories are stated at current replacement cost or, if lower, at net realisable value after making due allowance for any obsolete or slow moving items. In the case of finished goods and work in progress, cost comprises direct materials, direct labour and, if appropriate, direct overheads.

#### **Turnover**

Turnover represents the invoice value of goods and services supplied to customers, excluding VAT.

#### **VAT**

Income and expenditure excludes any amounts related to VAT, as all VAT collected is payable to HM Revenue and Customs and all VAT paid is recoverable from them.

### **Leases**

The Company does not have any finance leases, only operating leases. Rentals payable are charged to the Statement of Comprehensive Net Expenditure on a straight line basis over the term of the lease, generally meaning that rentals are charged when they become payable.

### **Pension costs**

The company operates a defined benefit scheme for its employees. The fund is valued every three years by a professionally qualified independent actuary, the rates of contribution being determined by the actuary. In the intervening years the actuary reviews the continuing appropriateness of the rates. Pension costs are accounted for on the basis of charging the expected cost of providing pensions over the period during which the company benefits from the employees' services.

The increase in the present value of the liabilities of the company's defined benefit pension scheme arising from employee service in the period is charged to the Statement of Comprehensive Net Expenditure. The expected return on the scheme's assets and the increase during the period in the present value of the scheme's liabilities arising from the passage of time are included in other finance costs/income. Actuarial gains and losses are recognised in the Statement of Changes in Taxpayer's Equity.

### **Taxation**

The Company has been granted exemption from Corporation Tax on the basis it is a not for profit organisation.

### **Impending application of newly issued accounting standards not yet effective**

Under IAS 8 there is a requirement to disclose those standards issued but not yet adopted. Management has reviewed the new accounting policies that have been issued but are not yet effective, nor adopted early for these accounts. Management consider that these are unlikely to have a significant impact on the accounts in the period of the initial application

## **2 Statement of Operating Costs by Operating Segment**

The **Factory Operation** manufacturers bedding products, industrial sewing products as contracts out some employees to carry out close circuit television monitoring on behalf of third parties. The Company does not rely on any major customer in this segment

**Employment Services** operate employment programmes on behalf of DEL; these programmes are awarded through commercial tenders. In this segment the Company relies on DEL, this being the major customer.

The Chief Operating Decision Maker is the Chief Executive, reporting to the non-executive Board of Directors. The Chief Executive receives on a monthly basis Key Performance Indicators which include the monthly management accounts. These monthly management accounts exclude depreciation, FREM adjustments in respect of grant in aid and year end pension adjustments under FRS 17. These items are excluded in order to properly compare the results with the Budget as agreed by DEL which also excludes those items i.e. it is a cash items Budget.

# Ulster Supported Employment Limited

(A company limited by guarantee and not having a share capital) 38

## Statement of Operating Costs by Operating Segment 2011-12

Segment	Factory Operation £	Employment Services £	Other £	Total 2011-12 £
Expenditure	(1,681,136)	(6,184,393)		(7,865,529)
Income	1,345,272	6,317,002		7,662,274
<b>Total net expenditure per Management Accounts</b>	<b>(335,864)</b>	<b>132,609</b>		<b>(203,255)</b>
<b>Reconciling items:</b>				
Depreciation and amortisation	(53,053)	(26,784)		(79,837)
Grant in Aid financing reported through Reserves per FReM	(663,521)			(663,521)
Net actuarial adjustments per FRS19			217,000	217,000
Impairment charge			(120,225)	(120,225)
<b>Net Operating Cost per Operating Cost Statement</b>	<b>(1,052,438)</b>	<b>105,825</b>	<b>96,775</b>	<b>(849,838)</b>

## Statement of Operating Costs by Operating Segment 2010-11

Segment	Factory Operation £	Employment Services £	Other £	Total 2010-11 £
Expenditure	(1,790,143)	(7,092,980)		(8,883,123)
Income	1,531,022	7,496,855		9,027,877
<b>Total net expenditure per Management Accounts</b>	<b>(259,121)</b>	<b>403,875</b>		<b>144,754</b>
<b>Reconciling items:</b>				
Depreciation and amortisation	(56,430)	(25,390)		(81,820)
Grant in Aid financing reported through Reserves per FReM	(633,930)			(633,930)
Net actuarial adjustments per FRS19			167,000	167,000
Impairment charge			(121,061)	(121,061)
<b>Net Operating Cost per Operating Cost Statement</b>	<b>(949,481)</b>	<b>378,485</b>	<b>45,939</b>	<b>(525,057)</b>

### 3 Staff numbers and related costs

	2012 £	2011 £
<b>Staff costs comprise:</b>		
Wages and salaries	6,011,071	6,241,220
Redundancy payments	6,844	28,280
Social security costs	213,478	351,809
Other pension costs	415,276	560,568
	<b>6,646,669</b>	<b>7,181,877</b>

All employees had a permanent contract of employment. The average number of people in employment during the year (including executive directors) was as follows:

	2012 Number	2011 Number
<b>Average number of persons employed:</b>		
Management and administration	35	35
Production distribution and sales	62	65
Employment support	495	520
	<b>592</b>	<b>620</b>



**Ulster Supported Employment Limited**  
**(A company limited by guarantee and not having a share capital)**

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**4 Other expenditure**

	<b>2012</b>	2011
	<b>£</b>	£
Materials	<b>227,059</b>	243,562
Payments to hosts and sub-contractors	<b>151,292</b>	183,217
Light, heat and power	<b>55,480</b>	48,255
Rent and rates	<b>41,196</b>	28,643
Repairs	<b>54,326</b>	61,610
Tools	<b>2,328</b>	862
Telephone	<b>18,676</b>	27,604
Canteen	<b>7,157</b>	5,978
General expenses	<b>99,964</b>	43,621
Insurance	<b>66,513</b>	65,606
Advertising	<b>16,321</b>	23,458
Audit - internal audit	<b>5,229</b>	5,000
- external audit	<b>5,147</b>	4,761
Bad debts written off	<b>277</b>	25,360
Computer	<b>32,972</b>	29,208
Discount allowed	<b>728</b>	1,114
Motor expenses	<b>53,310</b>	65,602
Postage	<b>9,408</b>	8,733
Packing	<b>495</b>	390
Printing and stationery	<b>21,193</b>	18,073
Travel	<b>16,361</b>	13,754
Training	<b>54,610</b>	20,576
Legal and professional fees	<b>13,963</b>	21,975
Bank charges	<b>1,378</b>	2,003
Consultancy fees	<b>12,877</b>	-
Provision for doubtful debts	<b>5,000</b>	(17,318)
Tutors	<b>15,602</b>	18,612
Loss on scrapping of Non-current assets	-	1,026
Provision for slow moving inventory	-	14,212
	<b>988,862</b>	965,497

**5 Income from activities**

	<b>2012</b>	2011
	<b>£</b>	£
Trading income	<b>479,957</b>	526,355
Contract services	<b>198,548</b>	369,825
Employment support	<b>1,264,007</b>	1,322,848
Contract income	<b>4,900,284</b>	5,690,689
Training income	<b>142,206</b>	19,095
	<b>6,985,002</b>	7,928,812

All sales are within the United Kingdom and Republic of Ireland.

**Ulster Supported Employment Limited**  
**(A company limited by guarantee and not having a share capital)** **40**

**6 Interest receivable**

	<b>2012</b>	2011
	<b>£</b>	£
Interest receivable	<b>489</b>	420

**7 Other finance costs**

	<b>2012</b>	2011
	<b>£</b>	£
Expected return on pension scheme assets	<b>649,000</b>	586,000
Interest on pension scheme liabilities	<b>(662,000)</b>	(691,000)
<b>Net cost / (return)</b>	<b>(13,000)</b>	(105,000)

**8 Deficit for the year**

This is stated after charging/(crediting):

	<b>2012</b>	2011
	<b>£</b>	£
Auditors' remuneration - Internal audit	<b>5,229</b>	5,000
- External audit	<b>5,147</b>	4,761
Depreciation and amortisation	<b>79,837</b>	81,820
Loss on scrappage of Non-current assets	-	1,026
Interest receivable	<b>(489)</b>	(420)

**9 (a) Property, plant and equipment**

	<b>Long leasehold buildings</b>	<b>Plant and office equipment</b>	<b>Motor vehicles</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Valuation</b>				
At 1 April 2011	1,542,317	579,204	58,739	2,180,260
Additions	11,220	29,632		40,852
Impairments	(148,051)			(148,051)
<b>At 31 March 2012</b>	<b>1,405,486</b>	<b>608,836</b>	<b>58,739</b>	<b>2,073,061</b>
<b>Depreciation</b>				
At 1 April 2011	292,875	496,739	47,489	837,103
Charged in the year	36,913	31,087	3,750	71,750
Impairments	(27,826)			(27,826)
<b>At 31 March 2012</b>	<b>301,962</b>	<b>527,826</b>	<b>51,239</b>	<b>881,027</b>
<b>Net book value</b>				
<b>At 31 March 2012</b>	<b>1,103,524</b>	<b>81,010</b>	<b>7,500</b>	<b>1,192,034</b>
At 31 March 2011	1,249,442	82,465	11,250	1,343,157

The company's long leasehold buildings were revalued at 19 February 2009 on the basis of open market value for existing use by Whelan (Property Consultants) Limited, independent Chartered

# Ulster Supported Employment Limited

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Surveyors. The valuations were undertaken in accordance with the Appraisal and Valuation Manual of the Royal Institute of Chartered Surveyors in the United Kingdom. At 31 March 2012, Long leasehold buildings were revalued using indices obtained from Land and Property Services in Northern Ireland for buildings of a similar nature; Plant and office equipment would normally be revalued using indices published by the Office of National Statistics, but the calculations were insignificant and therefore no such revaluation took place.

All the Non-current assets are owned by the Company. There are no leased assets.

### 9 (a) Property, plant and equipment

	Long leasehold buildings	Plant and office equipment	Motor vehicles	Total
	£	£	£	£
<b>Valuation</b>				
At 1 April 2010	1,814,491	568,261	43,739	2,426,491
Additions		12,409	15,000	27,409
Cost of disposals		(1,466)		(1,466)
Impairments	(272,174)			(272,174)
<b>At 31 March 2011</b>	<b>1,542,317</b>	<b>579,204</b>	<b>58,739</b>	<b>2,180,260</b>
<b>Depreciation</b>				
At 1 April 2010	296,893	467,522	43,739	808,154
Charged in the year	40,516	29,657	3,750	73,923
Relating to disposals		(440)		(440)
Impairments	(44,534)			(44,534)
<b>At 31 March 2011</b>	<b>292,875</b>	<b>496,739</b>	<b>47,489</b>	<b>837,103</b>
<b>Net book value</b>				
<b>At 31 March 2011</b>	<b>1,249,442</b>	<b>82,465</b>	<b>11,250</b>	<b>1,343,157</b>
At 31 March 2010	1,517,598	100,739	-	1,618,337

### 9 (b) Intangible assets

	Software Licenses £
<b>Valuation</b>	
At 1 April 2011	51,977
<b>At 31 March 2012</b>	<b>51,977</b>
<b>Amortisation</b>	
At 1 April 2011	28,454
Charged in the year	8,087
<b>At 31 March 2012</b>	<b>36,541</b>
<b>Net book value</b>	
<b>At 31 March 2012</b>	<b>15,436</b>
At 31 March 2011	23,523

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**9 (b) Intangible assets**

	<b>Software Licenses £</b>
<b>Valuation</b>	
At 1 April 2010	61,694
Cost of disposals	(9,717)
<b>At 31 March 2011</b>	<b>51,977</b>
<b>Amortisation</b>	
At 1 April 2010	30,274
Charged in the year	7,897
Relating to disposals	(9,717)
<b>At 31 March 2011</b>	<b>28,454</b>
<b>Net book value</b>	
<b>At 31 March 2011</b>	<b>23,523</b>
At 31 March 2010	31,420

**10 Inventories**

	2012 £	2011 £	2010 £
Raw materials	<b>81,750</b>	84,934	78,313
Work in progress	<b>4,248</b>	7,606	1,321
Finished goods	<b>47,455</b>	63,976	68,139
	<b>133,453</b>	156,516	147,773

**11 Trade and other receivables**

	2012 £	2011 £	2010 £
Receivables - trade	<b>357,947</b>	352,703	704,359
- employment support	<b>289,680</b>	491,000	521,474
Retention monies outstanding from DEL	<b>323,592</b>	337,420	445,890
Other receivables	<b>151,824</b>	180,824	80,652
Prepayments and accrued income	<b>9,196</b>	26,808	18,829
	<b>1,132,239</b>	1,388,755	1,771,204

**12 Cash and cash equivalents**

	2012 £	2011 £	2010 £
Cash and cash equivalents	<b>40,238</b>	126,186	129,299
Bank overdraft	<b>(33,318)</b>	(30,700)	-
	<b>6,920</b>	95,486	129,299

Cash and cash equivalents are all held as either cash in hand or as deposits with commercial banks.

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## 13 Trade and other payables

	2012	2011	2010
	£	£	£
Trade payables	<b>160,167</b>	222,907	216,486
Value Added Tax	<b>129,047</b>	159,878	148,578
Other taxation and social security	<b>66,621</b>	77,994	78,933
Other payables	<b>18,889</b>	20,646	13,084
Accruals and deferred income	<b>504,257</b>	535,739	1,087,068
	<b>878,981</b>	1,017,164	1,544,149

## 14 Members' liability

Each member of the Company is liable to contribute, in the case of a winding up, a sum not exceeding £1. The number of members at the Statement of Financial Position date was 6.

## 15 Department for Employment and Learning

	2012	2011	2010
	£	£	£
<b>Loan Account</b>			
Balance at beginning of year	<b>2,338,442</b>	2,338,442	2,338,442
Prior year adjustment	<b>(755)</b>		
<b>Balance at end of year</b>	<b>2,337,687</b>	2,338,442	2,338,442
<b>General Fund</b>			
Balance at beginning of year as previously stated	<b>(2,388,169)</b>	(3,781,137)	(3,169,409)
Adjustment in respect of property, plant and equipment	-	1,095	
FRS 17 pension (deficit) / surplus	<b>(844,000)</b>	1,283,000	(889,000)
Department for Employment and Learning – Revenue Grant in aid	<b>678,421</b>	633,930	620,500
Deficit for the year	<b>(849,838)</b>	(525,057)	(343,228)
<b>Balance at end of year</b>	<b>(3,403,586)</b>	(2,388,169)	(3,781,137)
<b>General Reserve</b>			
Balance at beginning of year and <b>at end of year</b>	<b>10,000</b>	10,000	10,000
<b>Funded by Department for Employment and Learning</b>	<b>(1,055,899)</b>	(39,727)	(1,432,695)

The loan is advanced by the Department for Employment and Learning and is secured by a charge on the Company's undertakings and all its property both present and future under a debenture dated 22 March 1963. The general fund includes USEL's accumulated net deficit which is supplemented by the DEL.

The asset reserve represents funding set aside by the Board to address the requirement to maintain the property of the company but for which no obligation exists at the 31 March 2012.

### Impact of the new FReM requirement

The adoption of the presentation requirements of the Government Financial Reporting Manual (FReM) has led to grant-in-aid funding (revenue or capital) being treated as a contribution from the Department for Employment and Learning which gives rise to a financial interest in the residual interest of the body, and hence should be accounted for as financing i.e. being credited in the General Fund reserve rather than on the face of the Statement of Comprehensive Net Expenditure.

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## 16 Revaluation reserve

	2012	2011	2010
	£	£	£
Balance at 1 April	-	106,579	446,956
Revaluation of buildings, plant and equipment	-	(106,579)	(340,377)
<b>Balance at 31 March</b>	<b>-</b>	<b>-</b>	<b>106,579</b>

## 17 Capital commitments

At 31 March 2012 authorised future capital expenditure amounted to £Nil (2011: £Nil). The company has no capital commitments at 31 March 2012 (2011: £Nil).

## 18 Commitments under leases

At 31 March 2012 the company had annual commitments under non-cancellable operating leases expiring as follows. Total future minimum lease payments under operating leases are given in the table below for each of the following periods.

	<b>Plant and office equipment 2012</b>	Plant and office equipment 2011	<b>Property 2012</b>	Property 2011
	£	£	£	£
Not later than one year	-	-	<b>29,900</b>	18,842
Later than one year and not later than five years	-	-	<b>14,300</b>	10,100
Later than five years	-	-	-	-
	<b>-</b>	<b>-</b>	<b>44,200</b>	<b>28,942</b>

The Company does not have any finance leases.

## 19 Financial performance targets

The Department for Employment and Learning does not consider it appropriate to set financial targets for Ulster Supported Employment Limited.

**20 Commitment to pension fund**

The company operates a defined benefit pension scheme in the UK for its employees. The assets of the scheme are held separately from those of the company. Contributions to the scheme are charged to the Statement of Comprehensive Net Expenditure so as to spread the cost of the pension over employees' working lives with the company. The contributions to the main scheme are determined by a qualified actuary on the basis of triennial valuations using the Projected Unit Method. The latest full actuarial valuation was carried out as at 5 April 2010 and updated to 31 March 2011 by a qualified independent actuary.

**Change in benefit obligation**

	<b>31 March 2012 £'000</b>	31 March 2011 £'000	31 March 2010 £'000
Benefit obligation at beginning of year	<b>11,834</b>	11,880	8,203
Current service cost	<b>419</b>	500	362
Interest costs	<b>662</b>	691	563
Plan participants' contributions	<b>232</b>	231	233
Actuarial losses / (gains)	<b>885</b>	(1,210)	2,707
Benefits paid	<b>(255)</b>	(258)	(188)
Benefit obligation at end of year	<b>13,777</b>	11,834	11,880

**Analysis of defined benefit obligation**

Plans that are wholly or partly funded	<b>13,777</b>	11,834	11,880
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**Change in plan assets**

	<b>31 March 2012 £'000</b>	31 March 2011 £'000	31 March 2010 £'000
Fair value of plan assets at beginning of year	<b>9,804</b>	8,400	5,525
Expected return on plan assets	<b>649</b>	586	380
Actuarial gains	<b>41</b>	73	1,818
Employer contribution	<b>649</b>	772	632
Member contributions	<b>232</b>	231	233
Benefits paid	<b>(255)</b>	(258)	(188)
Fair value of plan assets at end of year	<b>11,120</b>	9,804	8,400

**Funded status**

	<b>31 March 2012 £'000</b>	31 March 2011 £'000	31 March 2010 £'000
Unrecognised past service cost	<b>(2,657)</b>	(2,030)	(3,480)
Net amount recognised	<b>(2,657)</b>	(2,030)	(3,480)

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## Components of pension cost

	<b>31 March 2012 £'000</b>	31 March 2011 £'000	31 March 2010 £'000
Current service cost	<b>419</b>	500	362
Interest cost	<b>662</b>	691	563
Expected return on plan assets	<b>(649)</b>	(586)	(380)
Total pension cost recognised in the Statement of Comprehensive Net Expenditure	<b>432</b>	605	545
Actuarial losses / (gains) immediately recognised	<b>844</b>	(1,283)	889
Total pension cost / (benefit) recognised in the Statement of Taxpayers' Equity	<b>844</b>	(1,283)	889
Cumulative amount of actuarial losses / (gains) recognised	<b>71</b>	(773)	510

## Plan assets

The weighted-average asset allocation at the year-end were as follows:

	<b>31 March 2012 %</b>	31 March 2011 %
Equities	57.6	64.3
Bonds	42.0	33.8
Cash	0.4	1.9

Expected return on assets by asset allocation

	<b>31 March 2012 %</b>	31 March 2011 %
Equity securities	6.50	7.35
Debt securities	4.25	4.95
Other	0.50	0.50

To develop the expected long-term rate of return on assets assumption, the company considered the current level of expected returns on risk free investments (primarily government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and the expectations for future returns of each asset class. The expected return for each asset class was then weighted based on the target asset allocation to develop the expected long-term rate of return on assets assumption for the portfolio.

Actual return on plan assets

**31 March 2012  
£'000  
690**



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## Weighted average assumptions used to determine benefit obligations at:

	<b>31 March 2012 %</b>	31 March 2011 %	31 March 2010 %
Rate of increase in salaries	<b>4.25</b>	4.50	4.80
Rate of increase of pensions in payment	<b>3.15</b>	3.40	3.70
Rate of increase of pensions in deferment	<b>3.50</b>	3.80	3.80
Discount rate	<b>5.05</b>	5.50	5.70
Inflation assumption	<b>3.25</b>	3.50	3.80

## Weighted average assumptions used to determine net pension cost for the year ended:

	<b>31 March 2012 %</b>	31 March 2011 %
Discount rate	<b>5.50</b>	5.70
Expected long-term return on plan assets	<b>6.41</b>	6.69
Rate of compensation increase	<b>4.50</b>	4.80
Rate of increase of pensions in payment	<b>3.40</b>	3.70
Inflation	<b>3.50</b>	3.80

## Weighted average life expectancy for mortality tables used to determine benefit obligations at:

**31 March 2012**

Member age 65 (current life expectancy)	<b>19.60</b>
Member age 45 (life expectancy at age 65)	<b>21.40</b>

## Five year history

	<b>Financial year ending in</b>				
	<b>2012 £'000</b>	2011 £'000	2010 £'000	2009 £'000	2008 £'000
Benefit obligation at end of year	<b>(13,777)</b>	(11,834)	(11,880)	(8,203)	(9,391)
Fair Value of plan assets at end of year	<b>11,120</b>	9,804	8,400	5,525	6,533
(Deficit)	<b>(2,657)</b>	(2,030)	(3,480)	(2,678)	(2,858)
Difference between actual and expected return on assets:					
Amount (£'000)	<b>41</b>	73	1,818	(2,075)	(876)
Percentage of scheme assets	<b>0%</b>	1%	22%	-38%	-13%
Experience gains and (losses) on scheme liabilities:					
Amount (£'000)	<b>(165)</b>	1,348	459	(18)	17
Percentage of scheme assets	<b>1%</b>	11%	4%	0%	0%

The agreed contribution rate for the current year is 22.4%.

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## 21 Related party transactions

Ulster Supported Employment Limited is a Non-Departmental Public Body (NDPB) sponsored by the Department for Employment and Learning. The Department for Employment and Learning is regarded as a related party. During the year, Ulster Supported Employment Limited has had various transactions with the Department and with other entities for which the Department for Employment and Learning is regarded as the parent Department.

None of the board members, members of the key management staff or other related parties have undertaken any material transactions with Ulster Supported Employment Limited during the year.

The following balances included in Ulster Supported Employment Limited's accounts relate to transactions with the Department for Employment and Learning.

		Balance due from DEL (ES)	Other Balances due from DEL	Retention monies due	Loan	Grants Received
<b>Department for Employment and Learning</b>						
<b>31 March 2012</b>	£	<b>289,680</b>	<b>100,000</b>	<b>323,592</b>	<b>2,337,687</b>	<b>678,421</b>
31 March 2011	£	491,000	171,084	337,420	(2,338,442)	633,930

## 22 Emoluments of directors and senior management

	Salary including performance pay	Benefits in kind	Total accrued pension at 65 at 31 March 2011	Total accrued pension at 65 at 31 March 2012	Cash equivalent transfer value at 31 March 2011	Cash equivalent transfer value at 31 March 2012	Real increase in CETV during the year
	£	£	£	£	£	£	£
P Bagues	5,574	-	-	-	-	-	-
B McMurray	2,051	-	-	-	-	-	-
MC Gibson	1,516	-	-	-	-	-	-
B Maitland	1,582	-	-	-	-	-	-
J Smyth	1,963	-	-	-	-	-	-
J Kelly	1,944	-	-	-	-	-	-
S Humphries	69,479	673	5,906	6,946	66,272	123,506	51,753

"Salary" includes gross salary and other benefits in kind subject to UK taxation.

Only Mr S Humphries accrues a pension; this is under a defined benefit pension scheme.

The company operates a uniform pension scheme providing benefits on a "final salary" basis at a normal retirement age of 65. Benefits accrue at the rate of 1/60<sup>th</sup> of pensionable salary for each year of service. The contributions to the scheme are determined by a qualified actuary based on triennial valuations using the Entry Age Normal Method and at present members pay contributions of 8% of pensionable earnings and the company pays 22.4%. Pensions increase annually in line with the Retail Prices Index up to a maximum of 5%. On death, pensions are payable to a surviving spouse at a rate of half the member's pension. On death in service, the scheme pays a lump sum benefit of three times pensionable pay and a spouse's pension equal to one half the member's prospective pension.

**23 Taxation**

The Company is registered as a charity for tax purposes and, as such, is entitled to certain tax exemptions on income and profits from investments and surpluses on any trading activities carried on in furtherance of its primary objectives, if these profits and surpluses are applied solely for charitable purposes.

**24 Events after the Reporting Date**

There were no events after the reporting date which would require adjustment to the financial statements. The Annual Report and Accounts were authorised by the Accounting Officer to be issued on 28 June 2012.

**Accounts Direction given by the Department for Employment and Learning  
with the Approval of DFP**

Ulster Supported Employment Limited shall prepare accounts for the financial year ended 31 March 2006 and subsequent financial years comprising:

- (a) a foreword;
- (b) a Statement of Comprehensive Net Expenditure;
- (c) a Statement of Financial Position;
- (d) a Statement of Cash flows; and
- (e) a Statement of Taxpayers' Equity

including such notes as may be necessary for the purposes referred to in the following paragraphs.

The accounts shall give a true and fair view of the income and expenditure and cash flows for the financial year, and the state of affairs as at the end of the financial year.

Subject to this requirement, the accounts shall be prepared in accordance with:

- (a) generally accepted accounting practice in the United Kingdom (UK GAAP);
- (b) the disclosure and accounting requirements contained in "The Fees and Charges Guide" (in particular those relating to the need for appropriate segmental information for services or forms of service provided) and in other guidance which DFP may issue from time to time in respect of accounts which are required to give a true and fair view;
- (c) the accounting and disclosure requirements given in "Governmental Accounting Northern Ireland" and in "Executive NDPBs: Annual Reports and Accounts Guidance", as amended or augmented from time to time.

insofar as these are appropriate to Ulster Supported Employment Limited and are in force for the financial year for which the statement of accounts is to be prepared.

Clarification of the application of the accounting and disclosure requirements of the Companies Act 2006 and accounting standards is given in Schedule 1 attached. Additional disclosure requirements are set out in Schedule 2 attached.

The income and expenditure account and Statement of Financial Position shall be prepared under the historical cost convention modified by the inclusion of:

- (a) Non-current assets at their value to the business by reference to current costs, and
- (b) Inventories at the lower of net current replacement cost (or historical cost if this is not materially different) and net realisable value.

**Application of the Accounting and Disclosure Requirements of the Companies Act 2006 and Accounting Standards**

**Companies Act 2006.**

- 1 The disclosure exemptions permitted by the Companies Act 2006 shall not apply to Ulster Supported Employment Limited unless specifically approved by DFP.
- 2 The Companies Act 2006 requires certain information to be disclosed in the Directors' Report. To the extent that it is appropriate, the information relating to Ulster Supported Employment Limited shall be contained in the foreword.
- 3 When preparing its income and expenditure account, Ulster Supported Employment Limited shall have regard to the profit and loss account format prescribed in the Companies Act 2006.
- 4 When preparing its Statement of Financial Position, Ulster Supported Employment Limited shall have regard to Statement of Financial Position format prescribed in the Companies Act 2006. The Statement of Financial Position totals shall be struck at "Total assets less current liabilities".
- 5 Ulster Supported Employment Limited is not required to provide the additional information required by paragraph 33(3) of Schedule 4 to the Companies Act 2006.
- 6 The foreword and Statement of Financial Position shall be signed by the Accounting Officer and dated.

**Accounting Standards**

- 7 Ulster Supported Employment Limited is not required to include a note showing historical cost profits and losses as described in FRS 3.

**Schedule 2**

**Additional disclosure requirements**

- 1 The foreword shall, inter alia:
  - (a) state that the accounts have been prepared in a form directed by the Department for Employment and Learning with the consent of DFP; and
  - (b) include a brief history of Ulster Supported Employment Limited and its statutory background.
- 2 The notes to the accounts shall include details of the key corporate financial targets set by the Department together with the performance achieved.

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**Appendix 2**

**Profit and loss account  
for the year ended 31 March 2012**

	<b>2012</b>	2011
	<b>£</b>	£
<b>Turnover (including grant income)</b>	<b>7,648,522</b>	9,026,491
Operating expenses	<b>(7,865,546)</b>	(8,883,123)
<b>Operating profit</b>	<b>(217,024)</b>	143,368
Interest receivable and similar income	<b>13,753</b>	1,386
<b>(Loss) / Profit on ordinary activities before taxation</b>	<b>(203,271)</b>	144,754
Taxation	-	-
<b>(Loss) / Profit on ordinary activities after taxation and retained loss for the year</b>	<b>(203,271)</b>	144,754

The profit and loss account has been prepared on the basis that grant in aid from the Department for Employment and Learning is treated as turnover rather than financing as required under the Government Financial Reporting Manual and are for illustrative purposes only of the underlying trading position.

This statement does not form part of the audited accounts.