

**Ulster Supported Employment Limited**  
**Annual report**  
**for the year ended 31 March 2008**

# **Ulster Supported Employment Limited**

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

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for the year ended 31 March 2008**

	Pages
Directors and advisers	1
Directors' report	2 - 7
Statement on the system of internal control	8 - 9
Forward by Board Chairman	10 - 12
Audit Committee Commentary	13
Management commentary (Chief Executives Report)	14 - 23
Independent auditors' report	24 - 25
Operating cost statement	26
Statement of recognised gains and losses	27
Balance sheet	28
Cash flow statement	39
Notes to the financial statements	30 - 41
Appendix 1 – Accounts direction given by the Department for Employment and Learning	42 - 43
Appendix 2 – Profit and Loss account in Company's (Northern Ireland) Order format	44

# **Ulster Supported Employment Limited**

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

## **Directors and advisers**

### **Directors**

Mr P Bagues (Chairman)  
Ms C Gibson  
Mr B McMurray  
Ms B Maitland  
Mr J Smith  
Mr A Thomson

### **Chief Executive**

S Humphries

### **Secretary**

D Macedo

### **Registered office**

182/188 Cambrai Street  
Belfast  
BT13 3JH

### **Bankers**

Northern Bank Limited  
235 Shankill Road  
Belfast  
BT13 1FE

### **Registered auditors**

PricewaterhouseCoopers LLP  
Waterfront Plaza  
8 Laganbank Road  
Belfast  
BT1 3LR

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## **Directors' report**

**Year ended 31 March 2008**

**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 Advisory Service (DAS). 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 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.

In 1980 the Company merged with the Belfast Association for the Employment of the Industrious Blind which traded under the title Workshops for the Blind.

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 (Northern Ireland) Order 1986 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 14 to 23.

### **Results for the year**

The results for the financial year are set out in the income and expenditure account on page 26. The deficit for the year was £568,097 (2007: £743,021). The Directors consider the Company's financial position at the balance sheet date to be satisfactory.

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## **Company Structure Overview**

The management structure of the Company is set out below:

<b>USEL Management Structure April 2007 – March 2008</b>
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## **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 an 8 - 10 weekly cycle. Employees are presented with information on all aspects of the business and given the opportunity to ask questions from 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 Operations 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.

## **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).

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### **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.

The trade creditor days at 31 March 2008 is 35 days (2007: 30 days) calculated as the proportion of year-end creditors 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 Bagues 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.

### **Policy towards disabled employees**

Information regarding employees is provided on pages 14 to 23.

### **Post balance sheet events**

No significant events have occurred since the date of the balance sheet which affects the Company or which materially affects the financial statements of the Company.

### **Fixed assets**

Changes in the fixed assets of the Company during the year are disclosed in note 9.

### **Charitable donations**

The Company made no charitable donations during the year.

### **Directors**

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

Patrick Bagues 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 2007. Patrick is the owner of four retail jewellers shops based in Omagh, Armagh and Enniskillen. He is actively involved in the retail jewellery industry as a Fellow of the Gemmological 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.

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### ***Brian McMurray – Finance Director / Chair Audit Committee (Appointed January 2006)***

Brian McMurray has worked in a number of senior roles with some of the leading companies in Northern Ireland, Rank-Hovis-McDougall, Courtauld Textiles and Moygashel Linens before moving to Abbicoil Springs where he was Managing Director/Owner for three years. Other Public Appointments held are Chairman of Roe Valley Enterprises and Non Executive Director of Action Mental Health. Brian is also a Business Mentor with Invest Northern Ireland

### ***Clare Gibson – Director (Appointed January 2006)***

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.

### ***Brenda Maitland – Director (Appointed March 2006)***

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.

### ***James Smyth – Director (Appointed March 2006)***

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.

### ***Alan Thomson – Director (Appointed January 2007)***

Alan Thomson is a qualified social worker and has been a Director of the Orchardville Society since 1990, having strategic and operational responsibility for the society's activities. He previously held Department of Education public appointment positions as Board of Governor and acting Chair until 2005. Mr Thompson previously worked as manager responsible for the National Society for the Prevention of Cruelty to Children's Child Protection Services in Belfast.

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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. Details of remunerations are set out below.

	Salary including performance pay £	Real increase in pension at 65 £	Total accrued pension at 31 March 2008 £	Cash equivalent transfer value at 31 March 2007 £	Cash equivalent transfer value at 31 March 2008 £	Real increase in CETV during the year £
P Bagues	4,193	-	-	-	-	-
B Mc Murray	1,904	-	-	-	-	-
MC Gibson	1,479	-	-	-	-	-
B Maitland	1,098	-	-	-	-	-
J Smyth	1,098	-	-	-	-	-
A Thomson	790	-	-	-	-	-
S Humphries	63,825	1,087	2,204	7,279	17,057	5,336

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

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 7% of pensionable earnings and the company pays 19%. 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.

#### 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;
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

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### Statement of directors' responsibilities (continued)

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 (Northern Ireland) Order 1986. 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.

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

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the Board

D Macedo  
**Secretary**  
25 June 2008

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

### 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 Government Accounting 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 2008 and up to the date of approval of the annual report and accounts, and accords with DFP guidance.

#### Operating Framework

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.

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 at regular intervals. 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.

#### Risk Control

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 organization 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 have been asked to examine its appropriateness.

#### 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.

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### **Review of Effectiveness (continued)**

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

S A Humphries  
**Chief Executive**  
25 June 2008

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



### Foreword by Patrick Bagues, Board Chairman

The Annual Report and Accounts for USEL (Ulster Supported Employment Ltd) covers the period 1 April 2007 to 31 March 2008. The report outlines the organisations activities during a year which again brought challenges to the Board and management team.

The year saw the direct impact of the problems in the international credit markets affect the local economy. The benign business environment of the past few years has given way to a much more challenging set of circumstances, but the Board and I believe we are well placed to take advantage of opportunities that will arise as we work through the cycle.

We are waiting for the final outcome of the strategic Light Touch review which has been commissioned by our sponsoring department, Department for Employment & Learning (DEL). All the indications are that it will be constructive, and we trust it will provide a realistic guide for the future development of our company.

Our commercial results felt the impact of the credit crunch in the second half of the year. Retail spending was down, directly affecting our sales of beds. The commercial team reacted by introducing a new product into the USEL range. The new “Blue Lagoon” range builds upon our heritage in bed manufacturing and incorporates all the highest quality materials, the best of the best. Early indicators would suggest this is the correct approach to a market which is under pressure from low cost imports.

I am delighted the Industrial sewing department of the factory exceeded budget for the first time in 4 years. Our contract services division achieved one local and one national award for monitoring of CCTV applications. Both these excellent results demonstrate the success of the development of our direct employee team. This is a strategy which takes time, but the Board and I have no doubt that it is the correct approach.

The employment services programmes faced challenges throughout the year. New programme through put was hard to achieve, but the team addressed the issue head on and rose to the challenge. I would commend their tenacity and congratulate them for winning new contracts in the face of stiff competition from multinational for-profit organisations.

The culmination of these activities means the company is posting a £42,000 loss before depreciation, FRS 17 pension costs and grant in aid financing. Whilst any loss is regrettable, the Board believes that the management team worked effectively to mitigate it. These adjustments can give rise to misinterpretation as many are not familiar with the nature of Government accounting, to that end we are presenting, at the rear of our annual report, the year’s accounts in a standard commercial format. We commend the work of the Chief Executive and the Senior Management team as they continue to build sustainability into the company in a hostile trading environment.

This year the Board endorsed the new 3 year corporate plan, which we believe demonstrates the commitment of the team to develop USEL as a people centred business. It is well balanced and drives the company forward to achieve its newly stated vision:



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I would like to thank the Board members for their commitment to the work of USEL in the past year. The level of engagement has been positive and the decisions well informed as the Board receives a comprehensive report each month from the executive. This has, I believe, allowed the challenge function of the Board to be enacted fully.



I would also like to thank our sponsoring department, the Department for Employment and Learning for the open communication which permeates the relationship. Especially I would thank the minister, Sir Reg Empey for visiting the factory at Cambrai Street in the early part of 2007. This gave a much needed boost to the employees as the minister was able to see first hand the professional work carried out by the workforce which has culminated in the new “Blue Lagoon” range.

Adding OCN as an accreditation facility to USEL was indeed a very positive development, as we are now able to offer fully accredited training in a range of courses for our employees and trainees internally and through the programme developments our employees and clients who are based externally. Accredited training is one of the enablers we use to equip our clients, employees and trainees for mainstream employment and this year I am delighted to report that 30 of our employees and trainees transitioned from USEL support into a range of external opportunities.

I conclude my section of this annual report by recognising that during 2007 – 2008 our organisation was able to support over 1200 people. The nature of these supports depends on the individual needs of the employees or service users. These ranged from assistance in employment preparation, job sampling and work experience to sustaining full mainstream employment. The supports are applied across our entire business from external clients and employees to those who work with the factory at Cambrai Street.

**Patrick Bogues**  
**Chairman**  
25 June 2008

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



### **Audit Committee Comment by Brian McMurray, Chair of Audit Committee**

USEL has always been a proactive organisation especially in terms of the good governance of the activities of the organisation. To that end I have taken the step of including for the first time a comment on the broad activities of the audit committee throughout the 2007 – 2008 financial year.

The USEL audit committee is made up of the directors of the company with the exception of the Board chairman. The Board secretary and the Chief Executive also attend these meetings to inform the committee on the specific issues at hand. During the year 2007 – 2008 the audit committee met on three occasions to review the internal audit schedule for the year and receive the findings of the audit elements for 2007 - 2008. I am delighted to report that the company again received substantial

assurance in 6 out of the 7 areas tested with satisfactory assurance in the remaining 1 element. Having reviewed this report in detail with the executive I am very pleased with the result.

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.

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 forthcoming during the 2007 – 2008 financial year.

During 2007 – 2008 I requested additional training as the chair of the audit committee to ensure that the audit committee was functioning to the maximum of its potential. As a result I have tasked the Chief Executive with setting up a cascade assurance statement process which would provide 6 monthly assurance statements from key departmental resources up to the Chief Executive. These statements would add another proactive element to inform the audit committee through out the year as to the governance standard which the USEL executive team operates to.

I would like to congratulate and thank the Chief Executive and Board Secretary Mr David Macedo for maintaining a high standard of governance in the activities of USEL.

**Brian McMurray**  
**Audit Committee Chair**  
25 June 2008

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



### Chief Executive Report by Sam Humphries

This being the third annual report which I have collated I felt it time to make some changes to the layout and content with a view to making the report more readable and more informative to the reader.

USEL is a diverse and dynamic organisation as such detailing the activities can lead to a multiplication of words, so this year I am including some input from our employees and clients and these should give the reader a greater sense of the ongoing positive impact which USEL has.

This report deals with our activities since 1<sup>st</sup> April 2007 to 31<sup>st</sup> March 2008.

### Primary Objective

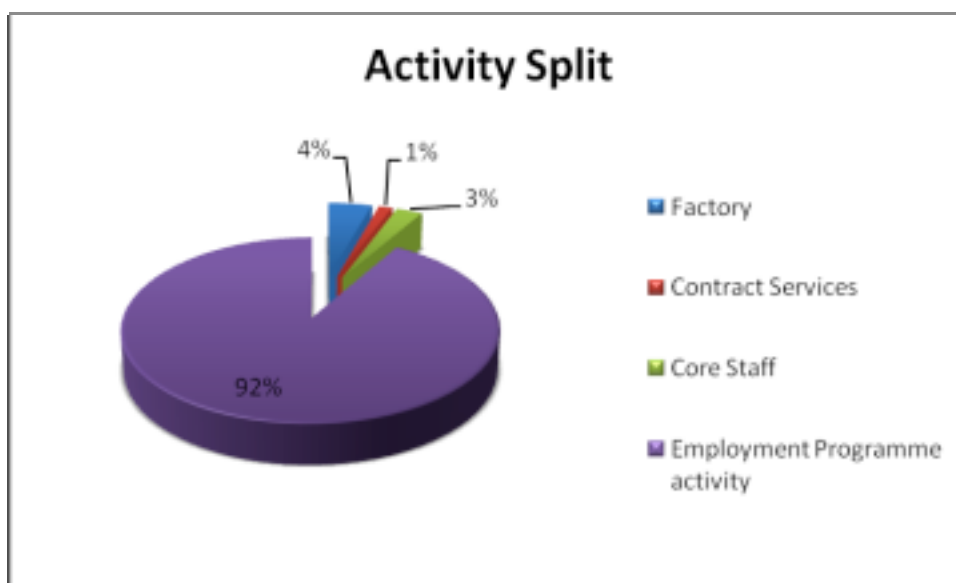
This is stated simply as supporting, providing and promoting employment opportunities for those people in our society, across Northern Ireland, who live with disability or a health condition. These disability and health issues can be significant barriers to people achieving the employment aspirations 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.

### Delivery of the Objective

We have operated a simple model for a number of years now, and as it works we continue to follow the same broad delivery process. There are four main activities the company carries out;

- 1: Direct Employment in our factory**
- 2: Employment Programmes Delivery**
- 3: Contract Services**
- 4: Development and Training**

The chart shows the split in terms of people between the various activities of our business, it clearly shows that our largest people impact activity is focused on mainstream employment activities.



This is an important point to note, as there have been misconceptions as to how externally focused we are as an organisation. Each of these activities however must be recognised as part of the overall solution to the employment aspirations of those people who live with disabilities and health conditions. USEL has, and will continue to offer a range of solutions which allows the broadest impact possible in terms of employment options.

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

### 1: Direct employment in our factory

For over 45 years now USEL has operated a manufacturing facility in Belfast, over the years the company has produced a wide variety of products all of which were targeted at the available market place of the time. This philosophy remains the same and currently we are producing a wide range of beds and a growing range of industrial sewing products. These products are all produced and sold under normal commercial market procedures. We strive to give a high quality product & service at a competitive price. In our recent commercial customer survey this was recognised by our customers with 100% of our customers reflecting that in their view our quality as very good or good. Over 86% believed our price was competitive while over 88% thought our service was good this was a 3% increase on our 2006 survey. Finally over 94% of our customers surveyed thought our range was good, this is a 25% improvement from our 2006 survey.

In 2007 – 2008 we added some new products to our portfolio, the first and most significant was the introduction of a new Blue Lagoon range of beds. The idea was simple, we could try and compete in the low end market which has a significant price sensitivity or we could build on the confidence that after 45 years we had gained a high degree of knowledge and skill in mattress production. So we launched Blue Lagoon in early 2008. The initial interest was high.



Sir Reg Empey visited our factory to congratulate our largely disabled workforce on the new product as it marked a milestone in the efforts of the USEL Board and management team, the employees and the training and development department. Our sponsoring Department have strategically been encouraging a high degree of personal development among our workforce for a number of years, and this was a great way of marking the growth in our employees. It is highly appropriate to acknowledge the support our Department provide for us.

We added to the overall range of bedding products by procuring a range of wooden furniture. The rationale was again simple, the new furniture would add to our ability to fully service our customers with the products they wanted, it would also allow us to develop new stock control skills which would ultimately assist our employees in growing their skill set.



In order to meet the needs of this our operations department acquired new system skills, utilising the purchasing, Bill of Materials and production planning elements of our Sage system. The sales team too added additional skills in Sales Order processing.

We achieved a significant amount in 2007 – 2008 in respect of the factory, we plan to roll the new skills out to the industrial sewing department in 2008 – 2009, so that all our employees can benefit, and feel more secure in their employment prospects for the future whether they choose to remain as an employee of USEL or transition into another employment opportunity outside USEL.

Our strategic direction for the factory is clear, we are the employer of choice for our employees, they are all employed under standard terms and conditions of employment and they recognise USEL as their employer. Each employee has access to a personal development process, using mentoring and acquiring accreditations increases their self confidence and personal belief that they can make a valuable contribution to any employer is grown.

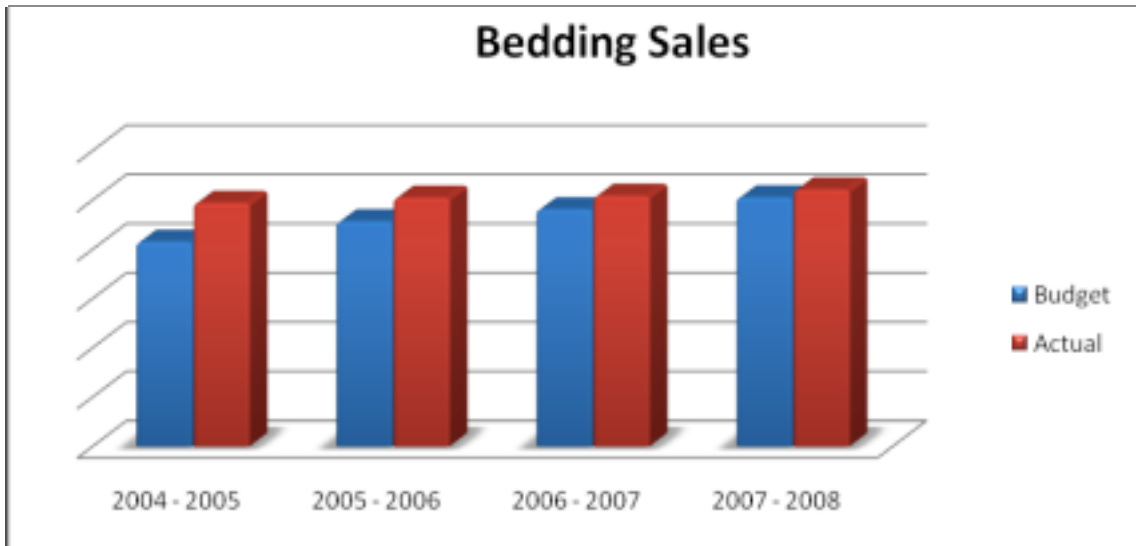
We provided 13 Full time equivalent trainee placements for the year through a European BSF funded initiative within the wider commercial business. Many trainees chose to operate within the factory and as a result of the 23 trainees who worked with us in 2007 – 2008 15 have transitioned to other employment opportunities.

We continue to offer work experience placements for school leavers, this past year we have welcomed 4 work placement people to experience life in a commercial factory environment. This is always a positive time for individuals who can make more informed decisions on their future employment aspirations following these experiences. It also gives a greater sense of confidence to individuals as they see that their personal circumstances do not necessarily mean they cannot achieve their personal employment aspirations.

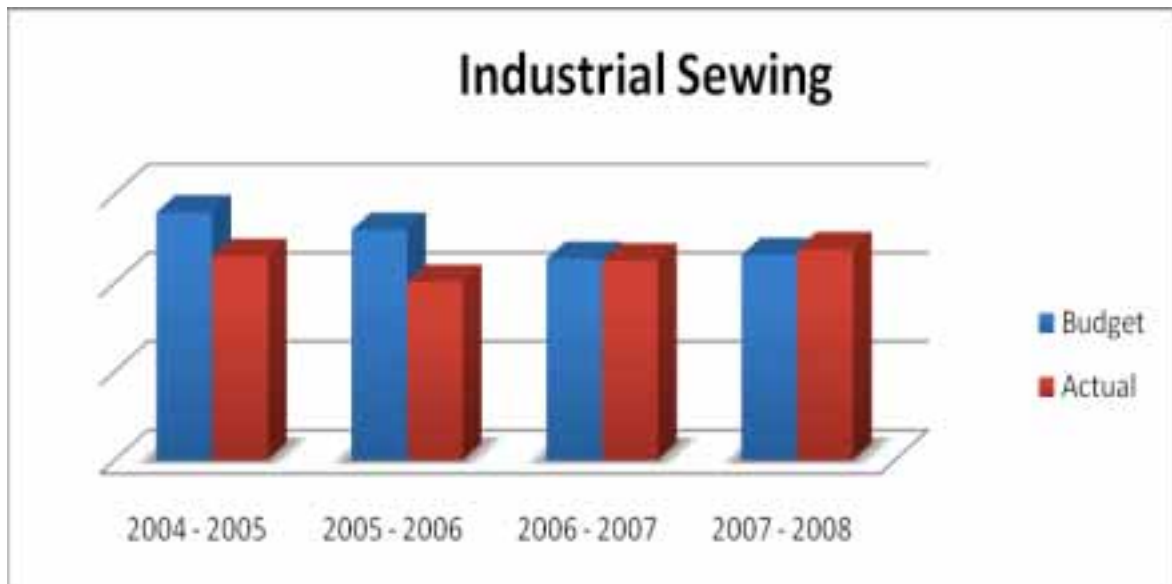
## (a company limited by guarantee and not having a share capital)

### Factory results

The following tables show the past 4 years development of our factory in terms of sales output. Bedding has again achieved its budget, and this was all the more impressive when you consider the prevailing market factors in the latter quarter of 2007 – 2008 financial year.



The Industrial sewing was by far the most impressive result in financial terms. For the first time in four years the department over achieved budget. We have plans to develop new products for our industrial sewing department in 2008 – 2009 because while we know that low cost sourcing has impacted this market, there is still a place for a small, agile quality manufacturer which can provide design and build facilities in close proximity.



During 2007 – 2008 6 of our factory based employees took the decision to find employment with other employers or other employment opportunities, we wish them well as they develop their employment aspirations in the future.

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

### 2 Employment Programmes Delivery

In the past year USEL has widened the company footprint for the delivery of the programmes on behalf of the department. We now have offices at Belfast, Portadown, Omagh and Londonderry. Our 2008 – 2011 corporate plan calls for at least 2 more access points across Northern Ireland. We have also increased our partnerships for the delivery of these programmes, and through the wide network of statutory, community and voluntary organisations we have a good selection of venues to utilise for our clients to access these programme delivery services.

In the past year we have been successful in securing tendered programmes in competition with other providers, we have been successful in initiating a new and innovative technology based approach to reducing the administration burden on our officers team in order to provide more time for them to deliver the supports and “bite sized” accredited training to the external clients.

The programme activities which USEL carries out are those which are contracted by the Department for Employment and Learning (DEL) following open tender processes under the procedures of the Central Procurement Directorate (CPD). In the last financial year they were;

- A: Employment Support Scheme**
- B: Workable NI**
- C: New Deal for Disabled People**
- D: Pathways to work (Work Preparation)**

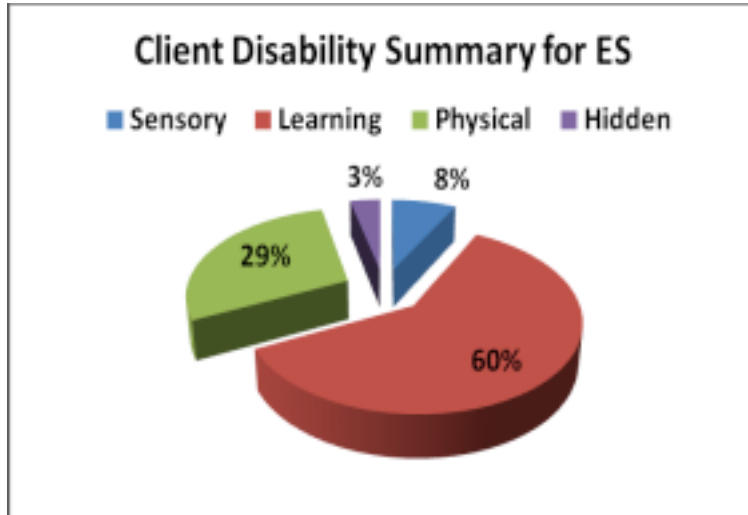
As an indicator of just where the clients, employees and job seekers are targeting the following graph shows the broad market sectors USEL programmes operate across.



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### A: Employment Support Scheme

The programme is now in its 26<sup>th</sup> year of operation by USEL, we remain the largest provider of this programme in Northern Ireland with 642 clients averaged across the year with the year closing with 619 clients remaining active on the programme.



This programme was designed to provide long term supports which included a wage offset provision for employers. The programme has been closed to new applicants for over 12 months now and 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 year 10 of our clients who left the programme did just that, moving into unsupported employment. Unsupported that is by a USEL support worker, but supported by their individual employer. We have many success stories to tell from this programme, here are two:

James has been sponsored by USEL in his employment under the Employment Support Scheme for over twenty years.

James has a physical disability and when he was referred by his Disablement Employment Advisor to USEL he had very low expectations of what he would be able to achieve. Initially James was employed by USEL and worked on a placement basis as a print room operator with the Northern Ireland Housing Executive in the Belfast Housing Centre. In 2001 James became a direct employee with the Housing Executive.

The Housing Executive and USEL jointly mentored and coached James and he developed a valuable range of workplace skills. He now undertakes the full range of print room tasks and is solely responsible for providing a photocopying service to all of the Housing Centre staff.



USEL has encouraged James to enrol in appropriate Open College Network Courses to gain accredited qualifications recognising his workplace skills and ability.



Patrick commenced on the Employment Support Scheme with Armagh and Dungannon Trust in April 1990 as a Switchboard Operator. Patrick is blind and has a hearing impairment. Over the years Patrick developed his communication skills and developed a good knowledge of his job role. Patrick became very knowledgeable as regards the various personnel and departments within the Trust.

On the 1 June 2007 Patrick's abilities to carry out his job competently were recognised by the Trust who took him off the Employment Support Programme and into Open Employment. When asked how he felt Employment Support benefited him Patrick said:

"Employment Support Programme gave a lot of meaning to my life. It also enhanced the quality of my life I got to know a lot of people by speaking to them on the telephone. I cannot thank USEL enough for the support they have given me over the years. I have seen myself become a very confident individual. I am now delighted that the Trust have recognised my achievements and I look forward to my future working with them".

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

### **B: Workable NI**

The programme has been in operation for some 18 months now, client numbers have been a challenge for the USEL officer team throughout the year, but the proactive nature of the team has seen the client numbers grow. We began the year with just 7 clients and we finish the year with 53 registrations. This programme no longer gives the wage offset nor the duration of supports for clients as the Employment Support Scheme gave, this has led to a few challenges but overall the response from employers and employees has been positive. There are development monies available which are designed to help towards the varying development needs of the clients, this is a positive aspect of the programme as it adds confidence to employee and employer alike. Ben is a recent success story from Workable:



Ben started employment under Workable (NI) supported by USEL in September 2007. He is directly employed by Ballyknock Riding School, Hillsborough as their Yard Manager. His duties include feeding horses, cleaning stables and grooming horses and preparing horses for the riding lessons.

Ben really loves his job. He is passionate about anything to do with horses and equestrian sports. One of his main hobbies is carriage riding and he has participated in competitions held at Windsor Great Park. Both Ben and his Manager (Jennifer) are very happy with the arrangements put in place under Workable (NI) to support Ben in his employment.

Ben receives regular support visits, mentoring and coaching support from USEL and Ballyknock Riding School receive development cost funding to enable them to spend the additional time needed to supervise and develop Ben to undertake a full range of yard duties at the Riding School.

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

USEL is now in the 7<sup>th</sup> year of operation of this programme, unlike ES and Workable this scheme is designed for clients to search and experience employment opportunities with a view to brokering a longer term employment solution. The past year saw this programme deliver just over 70% of the financial return expected. Again the client flow through was not as expected, the employment officers have to be commended as they delivered such a high result given the client numbers. We also noted a significant number of clients under the Supported Permitted Work rules, this means they may only have the capacity for limited hours each week.

At the end of the year we had 31% of those registered enter employment and of those 81% were sustained in employment.

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

The initial pilot period for this programme came to an end at the end of our 2007 – 2008 financial year. The programme was re-tendered and I am delighted that USEL won the largest areas as prime contractor for Belfast Region and South East Region, this encompasses 22 Jobs and Benefits offices from which clients are initiated. The programme looks to prepare people for the world of work and our element begins with a 2 week training delivery, followed by a 10 week placement.

New Deal and Pathways add a considerable opportunity for clients to experience work and ultimately can provide a path into full time employment, Daniel is one such case.

Daniel from Enniskillen joined the Pathways Work Preparation Programme in July 2007 having previously been unemployed due to a stress related illness. Daniel was keen to avail of the opportunity to gain work placement experience, offered to participants on the Work Preparation Programme. A placement was sourced through Royal Mail in Enniskillen.

This work experience placement gave Daniel confidence and an opportunity to establish a good work routine, time management skills



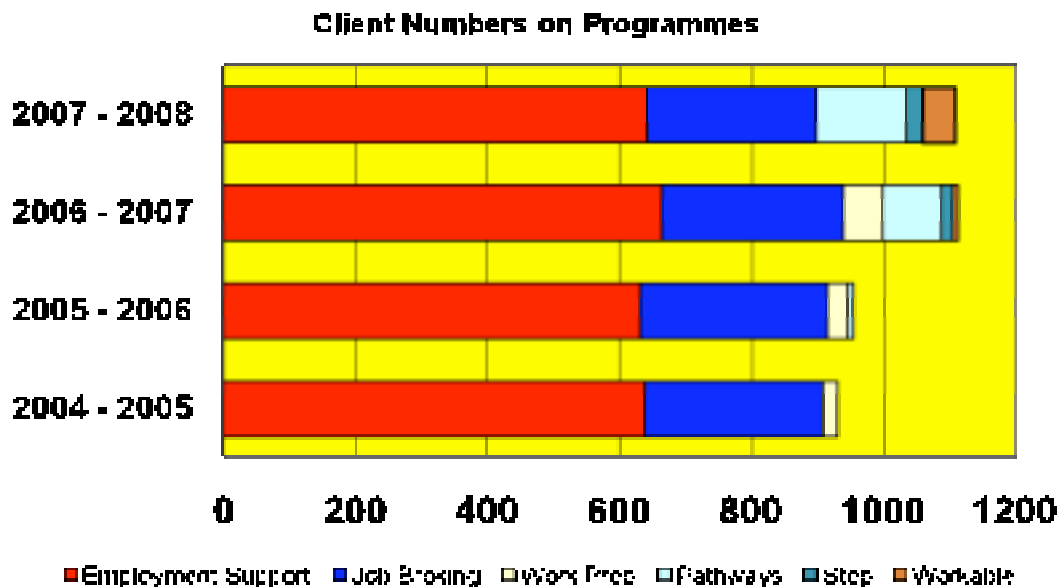
## (a company limited by guarantee and not having a share capital)

and build rapport with his colleagues.

On successfully completing his work experience placement he registered with USEL on the Job Broking Programme. Daniel has now secured a full time position with Royal Mail in Enniskillen.

Daniel has continued to make good progress in his job and the Royal Mail have nominated him to receive a prestigious employment award in London

### Overall Programme metrics:



### Customer Satisfaction Survey

We carried out a survey across the Employment Support Scheme, Workable NI and New Deal for Disabled People programmes. The survey was directed at employees and employers alike. The results summarised below show the banding of the three programmes. The results show the lowest % result and the highest % result, it is a broad range indicator only.

#### Clients:

Satisfaction with USEL officers: 100%

Satisfaction with Employment: 80% - 100%

Satisfaction with Training opportunities provided by employer: 62.5% - 80%

Satisfied with the opportunity afforded by employers to try new job functions: 80% - 87%

#### Employers:

Satisfaction with USEL supports: 95% - 100%

Satisfaction with the Employees contribution to the employment: 97% - 100%

While these results are summarised they do provide an overall picture that the service customers receive is high quality and their satisfaction level reflects this. There are several areas identified where our external OCN bite size training delivery may be able to satisfy the employee needs for more personal development training and the employers need to have productive time from the employee.

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

### 3: Contract Services

This is now becoming a significant strand in our business operation, the advantages of contract services are the ability to set up quickly and with limited capital intensity. The negatives are that the contracts are always under pressure from competition and have usually a limited contractual lifespan. Renewal of these contracts relies on the quality of the service delivery during the contract period, and it is here that our contract services teams delivery exceptionally well.



To date we have primarily operated in the CCTV monitoring, however we are branching out to provide ad-hoc contract services to organisations such as the Port of Belfast. During 2007 – 2008 our staff who operate the Londonderry CCI monitoring were awarded 2 awards for their services. The first was a local monitoring award and the second a joint first in a national monitoring station award.

I was delighted to attend an awards ceremony in the Guild Hall Londonderry hosted by the Lord Mayor Councillor Drew Thompson with Sean Trainer of the DCCI (Derry City Centre Initiative). During the presentation the Mayor remarked how the initiative had reduced crime and helped the city regain the confidence of visitors and citizens alike.

We have reviewed a number of opportunities over the past year to develop the contract services element of the business, none of these has been appropriate so we continue with our search. We have engaged with our pan European partners Workability Europe, to review a significant contract services opportunity, which if successful would see a multi national company positively promoting sub contract employment opportunities for people with disabilities across Europe.

### 4: Development and Training

In 2000 a Quinquennial review made recommendations that USEL increased its activity in the development and training of employees. Incorporating the STEP III programme again this year we developed and delivered over 22,000 hours of training. The training has a mixture of accredited and non accredited outcomes. We became an OCN accredited centre some time ago and this has allowed the courses to be tailored specifically to the needs of our employees and trainees.

The objective of this department is to ensure all our employees and trainees have access through training to the skills they need to best prepare them for the world of work. Either internally, with USEL or externally with another employer. The specific job skills are dealt with separately and are usually on the job specific training, the department supports these activities by ensuring the individual training records are maintained. However the non job centric skills are delivered so as to maximise the potential each employee has.

There is little doubt that our organisation has benefited greatly from the training we have been able to deliver, such is the positive impact of this that we are now delivering training in “bite sized elements” to our external client base. OCN has added a significant flexibility to this process as we ensure all our employees, trainees and clients gain important accreditations as they progress in the employment of their choice.

In 2007 – 2008 financial year our employees and trainees achieved 73 accreditations in courses as diverse as Numeracy and Literacy to Dreamweaver and Photoshop. Some of the training we delivered was specifically geared towards achieving our DDO action plan, so in conjunction with Disability action we delivered Electoral rights and registration training to 30 employees and 2 of our employees attended the Count us In project training. These are proactive actions as we endeavour to promote the total inclusion of people with disability in society in general.

It is our plan to impact over 700 people in the next 3 years under our STEP IV project with training and development inputs which will greatly assist them in their employment journey.

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

### 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 17% of our total income by way of funding from our sponsoring Department. We did not receive any increase in the deficit fund for a second year in a row as we are purposefully developing our own self sustainability and margin generation activities. We have a strong commercial base from which to operate and we have the products which we believe we can commercially trade within the marketplace, and against very stiff competition.

#### 2: Partnering

Our corporate strategy has been to grow the partner relationships across all of our business activities. A year ago we entered a special partner relationship with Bryson Charitable group to develop a recycling facility here at Cambrai Street for the



refurbishment of large white goods (fridges, cookers, washing machines, tumble dryers etc). It has been a difficult year for this embryonic venture but the signs are very positive, it is now into the second phase of the pilot and coming close to a self sustaining level.

The core ethos of both organisations to delivery a high social outcome under a business methodology is a sound one. We have had 2 STEP trainees implanted within the refurbishment operation for the past year and 2 USEL employees; this has widened their experience and skill base and provided a much needed addition to the skills which a USEL employee can look forward to gaining.

Mr Nigel Dodds visited the facility in October 2007 and officially opened the pilot, pictured here with Brian Johnstone of Bryson Mr Dodds was very impressed with the commercial approach both organisations showed as they approached the WEEE directive solution so proactively.

In delivering the various programmes USEL continues to develop relationships with other groups within the sector, Triangle have long been a partner with USEL and this relationship was maintained through out 2007 – 2008, the contribution from Triangle in respect of the New Deal for Disabled People programme delivery was excellent and I would like to thank the Triangle Board, Chief Executive and staff for their continued connection with USEL.

Locally USEL has grown relationships with RNIB, RNID, Business in the Community (BITC), The Social Economy Network, Disability liaison Group, Northern Ireland Union of Supported Employment and E-Government.



Internationally USEL has broadened the relationship through transnational partnerships, in a project to create a retail training model specifically designed for people with disabilities. USEL has continued to develop closer relationships with organisations across Europe who champion the right of Disabled people to work.

Workability Europe has a membership which spans 20 countries in Europe, including the accession countries to the European Union. There are 42 member organisations which collectively provide employment services to more than 1,300,000 people across Europe.

We attend the annual conference in Europe and we contribute to the business development group within Workability which looks to promote synergies between companies across Europe who can bring mutually beneficial business relationships to interested parties.

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

### 3: ISO 9000 (2000 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.

### 4: IiP

During 2007 – 2008 we determined as a management team that we should seek accreditation under IiP. As I write this report we are now a matter of weeks away from the first assessment visit and I look forward to reporting in the next annual report our achievement of the award. Investing in people internally and externally is what USEL has been about for over 45 years, we believe our systems and processes underpin the core ethos of our organisation which is to empower people to achieve their employment goals.

### 5: DDO (Disability Discrimination Order)

As a public entity USEL strives to achieve the highest standard of compliance in all matters, however in respect of the DDO we believe compliance is insufficient. Recognising that everything we are as an entity is captured in the 2 main duties of the DDO we welcomed the opportunity to take a look at our organisation with fresh emphasis.

We also co-sponsored with the Equality Commission for Northern Ireland a Chief Executive Forum event to provide information to the wider public sector on the DDO issue and impact. This was very well received by those in attendance.

### 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. Gwen Mills is the member of the senior team with responsibility for the compliance but the operation of the adherence is managed by Linda Laird our Personnel and Training Manager.

### 5: Reflection on 2007 – 2008

From a business context the year has been a solid performance, while posting a pre adjustment loss of £42,000 is far from desirable it is a considerable achievement given the external pressures which were outside the control of the company. Corporately we added a considerable amount of contribution to the company pension, we launched a new product into the market and the realignment of our internal staff and management continued. Commercially the market was performing exceptionally well until the “credit crunch” finally hit the retail sector when large ticket items and disposable income was put under pressure. Had the first 3 quarters of sales continued at the same pace our outcome for the year would have been considerably different, to the tune of some tens of thousands of pounds.

The employment services department had a very frustrating year, as factors outside their control prevented them from achieving their goals, both in financial terms and in people terms. Overall the result proved that the areas of the business where we have the dominant control we achieved excellent results, and of course the reverse where we have less control we have been disappointed at the outcomes.

In all aspects I must congratulate the entire core workforce of the company for their highly proficient and professional delivery this year. No matter what the issues were the USEL team rose to the challenges in some new and innovative ways. I make no apology that we have a desire to be the best at helping our clients achieve their employment aspirations; we would only aspire to such a lofty vision knowing that the entire workforce was behind it.

But of all the figures you will encounter in the pages past and after this comment these are the key ones to remember, in 2007 – 2008 through the activities of USEL over 100 people have entered and sustained that employment, compared to around 85 the year before. This number doesn't capture the hundreds who have been sustained or assisted to begin their employment journey in the same time frame.

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

### 6: The future

Our goal as a Non Departmental Public body is to achieve delivery of the balanced budget we have presented to our sponsoring department, and subject to circumstances outside the control of USEL this will be met. In a wider context we have produced a new 3 year corporate plan which encompasses the strategic aims of the USEL board and management team. The five strategic keys are now underpinned with tangible strategic and tactical deliverables.



The new plan stretches the organisation further as we seek to become more sustainable, less reliant on grant income and prove that we have earned the right to a higher level of flexibility within the context we exist. We have for the first time laid down our environmental objectives as we improve on our very positive past record of environmental awareness and activity to reduce our impact on our planet. These impacts of course cross over into the financial realm as improvements and investment in such activities will lead to more efficiency and higher return on investment.

We plan to stretch ourselves as we seek new innovative opportunities to reach a greater number of people and provide the supports they require to enter economic employment. Our overall goal for 2008 – 2009 will be to support more people into and within employment, promote the positive attributes of economic employment to our clients and employers alike, and where appropriate provide direct employment for those who wish to have USEL as their employer of choice.

**Sam Humphries**  
**Chief Executive**  
25 June 2008

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

### **Auditors' report to the members of Ulster Supported Employment Limited**

We have audited the financial statements of Ulster Supported Employment Limited for the year ended 31 March 2008, which comprise the income and expenditure account, the statement of total recognised gains and losses, the balance sheet, the cash flow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

#### **Respective responsibilities of the Chief Executive and Auditors**

As described in the statement of directors' responsibilities on page 7 the Chief Executive is responsible for the preparation of the financial statements in accordance with applicable Northern Ireland law and Department for Employment and Learning directions made there under and for ensuring the regularity of financial transactions. The Chief Executive is also responsible for the preparation of the other contents of the Annual Report.

Our responsibility is to audit the financial statements in accordance with the relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Article 243 of the Companies (Northern Ireland) Order 1986 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies (Northern Ireland) Order 1986 and directions made thereunder by the Department for Employment and Learning and whether in all material respects the expenditure and income have been applied to the purposes intended by The Northern Ireland Assembly and the financial transactions conform to the authorities which govern them. We also report if, in our opinion, the Annual Report is not consistent with the financial statements, if the Company has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit, or if information specified by relevant authorities regarding remuneration and other transactions is not disclosed.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our certificate if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

We review whether the statement on pages 8 and 9 reflects the Company's compliance with the Department of Finance & Personnel guidance "Corporate governance: statement on internal control". We report if it does not meet the requirements specified by the Department of Finance and Personnel, or if the statement is misleading or inconsistent with other information we are aware of from our audit of the financial statements. We are not required to consider whether the statement on internal control covers all risks and controls, or form an opinion on the effectiveness of the Company's corporate governance procedures or its rules and control procedures.

#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors and Chief Executive in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by error, or by fraud or other irregularity and that, in all material respects, the expenditure and income have been applied to the purposes intended by The Northern Ireland Assembly and the financial transactions conform to the authorities which govern them. In forming our opinion we have also evaluated the overall adequacy of the presentation of information in the financial statements.

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

## **Auditors' report to the members of Ulster Supported Employment Limited (continued)**

### **Opinion**

In our opinion:

- the financial statements give a true and fair view of the state of affairs of the Company at 31 March 2008 and of the net operating costs, total recognised gains and losses and cash flows for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited, have been properly prepared in accordance with the Companies (Northern Ireland) Order 1986 and directions made thereunder by the Department for Employment and Learning; and
- in all material respects the expenditure and income have been applied to the purposes intended by The Northern Ireland Assembly and the financial transactions conform to the authorities which govern them.

### **PricewaterhouseCoopers LLP**

Chartered Accountants and Registered Auditors

Belfast

25 June 2008

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

### Operating cost statement for the year ended 31 March 2008

	Notes	2008 £	2007 restated £
<b>Turnover</b>	2	<b>2,617,310</b>	2,532,374
Contract Income		<b>5,023,126</b>	4,480,372
		<b>7,640,445</b>	7,012,746
Staff costs	5	<b>(7,295,502)</b>	(6,895,133)
Other operating costs	6	<b>(874,069)</b>	(769,102)
Depreciation		<b>(75,836)</b>	(76,464)
		<b>(8,245,407)</b>	(7,740,699)
<b>Net operating cost for the year before financing</b>		<b>(604,962)</b>	(727,953)
Notional cost of capital	21	<b>34,130</b>	27,527
Interest receivable and other income		<b>13,401</b>	24,605
Deferred income released	13	-	-
Interest payable		<b>(2,536)</b>	(1,673)
Other finance costs	7	<b>26,000</b>	(28,000)
<b>Operating cost after notional costs</b>	3	<b>(533,967)</b>	(705,494)
Reversing credit in respect of notional costs	21	<b>(34,130)</b>	(27,527)
Transfer to building reserve		-	(10,000)
<b>Net operating cost attributable to DEL revenue account</b>	15	<b>(568,097)</b>	(743,021)

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 30 to 41 form part of these financial statements.

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

## **Statement of recognised gains and losses for the year ended 31 March 2008**

	<b>2008</b>	2007
	£	restated £
Net operating cost for the financial year	<b>(568,097)</b>	(743,021)
Unrealised loss on revaluation of plant, office equipment and buildings to current replacement cost	-	(3,080)
Actuarial (loss)/gain recognised in pension scheme	<b>(1,023,000)</b>	630,000
<b>Total gains and losses recognized since last annual report</b>	<b>(1,591,097)</b>	(116,101)

The notes on pages 30 to 41 form part of these financial statements.

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

## Balance sheet at 31 March 2008

	Notes	2008 £	2007 restated £
<b>Fixed assets</b>			
Tangible assets	9	<b>1,853,051</b>	1,864,949
<b>Current assets</b>			
Stocks	10	<b>177,101</b>	142,937
Debtors	11	<b>1,466,384</b>	1,351,754
Bank balances and cash		<b>529</b>	654
		<b>1,644,014</b>	1,495,345
<b>Creditors: amounts falling due within one year</b>	12	<b>(1,431,448)</b>	(1,246,098)
<b>Net current assets</b>		<b>212,566</b>	249,247
<b>Total assets less current liabilities</b>		<b>2,065,617</b>	2,114,196
<b>Deferred income</b>	13	-	-
<b>Net assets excluding pension liability</b>		<b>2,065,617</b>	2,114,196
<b>Pension liability</b>		<b>(2,858,000)</b>	(1,929,000)
<b>Net liabilities including pension liability</b>		<b>(792,383)</b>	(185,196)
<b>Funded by</b>			
Department for Employment and Learning	15	<b>(993,148)</b>	(15,569)
Revaluation reserve	22	<b>200,765</b>	200,765
		<b>(792,383)</b>	(185,196)

Approved by the Board of Directors on 25 June 2008

P Bogue  
Chairman

S Humphries  
Chief Executive

The notes on pages 30 to 41 form part of these financial statements.

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

**Cash flow statement  
for the year ended 31 March 2008**

	Notes	2008 £	2007 £
<b>Net cash outflow from operations</b>			
Net cash outflow from operating activities	16(a)	<b>(672,709)</b>	(354,911)
Net cash inflow – DEL financing contributions	16(b)	<b>597,605</b>	588,443
<b>Net cash (outflow) / inflow from operating activities</b>		<b>(75,104)</b>	233,532
<b>Returns on investments and servicing of finance</b>	17a	<b>10,865</b>	22,932
<b>Capital expenditure</b>	17a	<b>(67,078)</b>	(60,737)
<b>(Decrease)/increase in cash</b>		<b>(131,317)</b>	195,727
<b>Net debt at 1 April 2007</b>		<b>(360,065)</b>	(555,792)
<b>Net debt at 31 March 2008</b>	17b	<b>(472,329)</b>	(360,065)

The notes on pages 30 to 41 form part of these financial statements.

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

### Notes to the financial statements for the year ended 31 March 2008

#### 1 Accounting policies

The financial statements are prepared on a going concern basis in accordance with the accounting and disclosure requirements of the Companies (Northern Ireland) Order 1986 and applicable accounting standards issued by UK accountancy bodies in a form directed by the Department for Employment and Learning with the consent of the Department of Finance and Personnel. The particular accounting policies adopted are described below.

##### Accounting convention

The financial statements are prepared on the accruals basis under the historical cost convention as modified by the revaluation of certain fixed assets and in accordance with approved accounting standards. Despite the deficit in the balance sheet arising from the impact of FRS 17 – Accounting for 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.

##### Tangible fixed assets and depreciation

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

Tangible fixed 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
Plant and office equipment	-	10 years
Motor vehicles	-	4 years

##### Stocks and work in progress

Stocks 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.

##### 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 operating profit. 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 total recognised gains and losses.

##### Cost of capital

The financial statements include provision under interest payable and other charges for a notional interest cost of capital employed by the Company during the year, at 3.5% of the average capital employed. The credit entry corresponding to the notional cost of capital is shown as a reversing entry below the result for the year.

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

### 2 Turnover

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

	2008 £	2007 £
Trading income	792,957	734,884
Contract services	398,057	358,002
Employment support plus job broking	1,426,305	1,439,488
	<b>2,617,319</b>	<b>2,532,374</b>

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

### 3 Deficit for the year

This is stated after charging/(crediting):

	2008 £	2007 £
Auditors' remuneration - Internal audit	3,000	3,500
- External audit	4,798	4,434
Depreciation	75,836	76,464
(Profit)/loss on sale of fixed assets	3,140	-
Interest receivable	3,393	-

### 4 Emoluments of directors and senior management

	Salary including performance pay £	Real increase in pension at 65 £	Total accrued pension at 31 March 2008 £	Cash equivalent transfer value at 31 March 2007 £	Cash equivalent transfer value at 31 March 2008 £	Real increase in CETV during the year £
P Bogue	4,193	-	-	-	-	-
B Mc Murray	1,904	-	-	-	-	-
MC Gibson	1,479	-	-	-	-	-
B Maitland	1,098	-	-	-	-	-
J Smyth	1,098	-	-	-	-	-
A Thomson	790	-	-	-	-	-
S Humphries	63,825	1,087	2,204	7,279	17,057	5,336

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

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

### 4 Emoluments of directors and senior management (continued)

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 6% of pensionable earnings and the company pays 13%. 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.

### 5 Staff particulars

	2008	2007
	£	£
<b>Staff costs comprise:</b>		
Wages and salaries	<b>6,550,939</b>	6,157,454
Redundancy payments	<b>2,677</b>	-
Social security costs	<b>253,633</b>	244,767
Other pension costs	<b>488,253</b>	492,912
	<b>7,295,502</b>	6,895,133

The average number of people in employment during the year (including executive directors) was as follows:

	2008	2007
	£	£
Management and administration	<b>34</b>	29
Production distribution and sales	<b>75</b>	76
Employment support	<b>642</b>	656
	<b>751</b>	761

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

### 6 Other operating costs

	2008	2007
	£	£
Materials	375,186	343,510
Payments to hosts and sub-contractors	65,395	-
Light, heat and power	37,382	41,584
Rent and rates	23,333	28,034
Repairs	20,555	11,545
Tools	830	481
Telephone	12,633	14,493
Canteen	2,536	2,630
Discounts received	-	(69)
General expenses	32,639	39,289
Insurance	64,785	65,027
Advertising	18,573	15,077
Audit - internal audit	3,000	3,500
- external audit	4,798	4,434
Bad debts written off	306	13,649
Computer	21,375	17,997
Debt collection	-	129
Discount allowed	1,646	1,685
Motor expenses	53,423	45,165
Postage	6,563	7,458
Packing	730	-
Printing and stationery	12,133	11,347
Travel	10,938	10,463
Training	13,752	10,877
Legal and professional fees	2,234	4,361
Bank charges	2,711	2,864
Security Costs	64,206	54,115
Interest receivable	(3,393)	-
Consultancy Fees	13,880	1,571
Provision for doubtful debts	-	(1,130)
Tutors	8,780	14,016
Loss on sale of fixed assets	3,140	-
Provision for slow moving stock	-	5,000
	<b>874,069</b>	<b>769,102</b>

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

### 7 Other finance costs

	2008 £	2007 £
Expected return on pension scheme assets	486,000	373,000
Interest on pension scheme liabilities	(460,000)	(401,000)
<b>Net return</b>	<b>26,000</b>	<b>(28,000)</b>

### 8 Taxation

The Company is registered as a charity for tax purposes and is exempt from taxation.

### 9 Tangible fixed assets

	Long leasehold buildings £	Plant and office equipment £	Motor vehicles £	Total £
<b>Valuation</b>				
At 1 April 2007	1,902,533	592,724	43,739	2,538,996
Additions	27,605	49,286	-	76,891
Disposals	-	(38,919)	-	(38,919)
<b>At 31 March 2008</b>	<b>1,930,138</b>	<b>603,919</b>	<b>43,739</b>	<b>2,576,968</b>
<b>Depreciation</b>				
At 1 April 2007	219,715	425,280	29,052	674,047
Charge for year	38,603	29,889	7,344	75,836
Disposals	-	(25,966)	-	(25,966)
<b>At 31 March 2008</b>	<b>258,318</b>	<b>429,203</b>	<b>36,396</b>	<b>723,917</b>
<b>Net book value</b>				
<b>At 31 March 2008</b>	<b>1,671,820</b>	<b>173,888</b>	<b>7,343</b>	<b>1,853,051</b>
At 31 March 2007	1,682,818	167,444	14,687	1,864,949

The company's long leasehold buildings were revalued at 18 January 2006 on the basis of open market value for existing use by Whelan (Property Consultants) Limited, independent Chartered Surveyors. The valuations were undertaken in accordance with the Appraisal and Valuation Manual of the Royal Institute of Chartered Surveyors in the United Kingdom.

### 10 Stocks

	2008 £	2007 £
Raw materials	125,025	96,423
Work in progress	4,985	13,596
Finished goods	47,091	32,918
	<b>177,101</b>	<b>142,937</b>

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

### 11 Debtors

	2008	2007
	£	£
Trade debtors - trade	483,538	197,593
- employment support	322,112	594,037
Retention monies outstanding from DEL	581,332	506,417
Other debtors	62,582	44,708
Prepayments and accrued income	16,820	8,999
	<b>1,466,384</b>	<b>1,351,754</b>

### 12 Creditors: amounts falling due within one year

	2008	2007
	£	£
Bank overdraft	472,858	360,719
Trade creditors	17,918	61,061
Other taxation and social security	247,395	256,692
Other creditors	874	7,738
Accruals and deferred income	692,403	559,888
	<b>1,431,448</b>	<b>1,246,098</b>

### 13 Deferred Income

	2008	2007
	£	restated £
At 1 April 2007 as previously stated	721,410	739,586
Prior year adjustment – transfer of capital grant in aid to reserves	(721,410)	-
At 1 April 2007 as restated	-	739,586
Amount released to income and expenditure	-	(18,176)
Prior year adjustment – transfer of capital grant in aid to reserves	-	(721,410)
<b>At 31 March 2008</b>	<b>-</b>	<b>-</b>

#### Prior year adjustment

On 21 March 2001 the Department for Employment and Learning advanced a grant of £800,000 to aid with the purchase of the new building.

A prior year adjustment has resulted from a change in the FReM with regards to the recognition of grant in aid. Previously capital funds had been treated as grant, which is held in a grant reserve and released to the income and expenditure account over the life of the asset.

### 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 balance sheet date was 6.

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

### 15 Department for Employment and Learning

	2008 £	2007 £
<b>Loan Account</b>		
Balance at beginning of year	2,281,837	2,234,394
Advances in the year	56,605	47,443
<b>Balance at end of year</b>	<b>2,338,442</b>	<b>2,281,837</b>
<b>General Fund</b>		
Balance at beginning of year as previously stated	(3,028,819)	(3,474,971)
Prior year adjustment	721,410	739,586
Adjusted balance as restated	(2,307,409)	(2,735,385)
FRS 17 pension deficit	(1,023,000)	630,000
Department for Employment and Learning –Revenue Grant in aid	541,000	541,000
Department for Employment and Learning – Capital Grant in aid	15,916	-
Transfer from income and expenditure account	(568,097)	(733,021)
Transfer to reserves	-	(10,000)
<b>Balance at end of year</b>	<b>(3,341,590)</b>	<b>(2,307,406)</b>
<b>General Reserve</b>		
Balance at beginning of year	10,000	-
Transfer from income and expenditure account	-	10,000
<b>Balance at end of year</b>	<b>10,000</b>	<b>10,000</b>
<b>Funded by Department for Employment and Learning</b>	<b>(993,148)</b>	<b>(15,569)</b>

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 2008.

#### Impact of the new FrEM requirement

The adoption of the presentation requirements of The 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 income and expenditure account reserve rather than on the face of the income and expenditure account.

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

### 16 Reconciliation of operating deficit to net cash inflow from operating activities

	2008	2007
	£	£
<b>(a) Net cash outflow from operating activities:</b>		
Operating deficit	(604,962)	(727,953)
Depreciation	75,836	76,464
Difference between pension charge and cash contributions	(68,000)	98,000
(Increase)/decrease in stocks	(34,164)	(11,789)
Decrease/(increase) in debtors	(114,631)	37,566
Increase in creditors	73,212	172,801
Grant income from DEL		-
	<b>(672,709)</b>	<b>(354,911)</b>
<b>(b) Net cash inflow from DEL financing contributions</b>		
Contributions from DEL	541,000	541,000
Increase in DEL loan creditor	56,605	47,443
	<b>597,605</b>	<b>588,443</b>

### 17a Gross cash flows

	2008	2007
	£	£
<b>Returns on investments and servicing of finance</b>		
Interest paid	(2,536)	(1,673)
Interest received and other income	13,401	24,605
	<b>10,865</b>	<b>22,932</b>
<b>Capital expenditure</b>		
Payments to acquire fixed assets	(76,891)	(60,737)
Sales of tangible fixed assets	9,813	-
	<b>(67,078)</b>	<b>(60,737)</b>

### 17b Analysis of changes in net debt

	At 1 April 2007 £	Cash flows £	At 31 March 2008 £
<b>Returns on investments and servicing of finance</b>			
Cash in hand and at bank	(360,065)	(112,264)	<b>(472,329)</b>

### 18 Capital commitments

At 31 March 2008 authorised future capital expenditure amounted to £Nil (2006: £Nil).

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

### 19 Financial commitments

At 31 March 2008 the company had annual commitments under non-cancellable operating leases expiring as follows:

	<b>Plant and office equipment 2008</b>	Plant and office equipment 2007	<b>Property 2008</b>	Property 2007
	£	£	£	£
Within one year	-	-	-	-
In more than one year, but not more than five years	-	2,294	<b>29,300</b>	26,300
After five years	-	-	-	-
	-	2,294	<b>29,300</b>	26,300

### 20 Financial performance targets

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

### 21 Notional cost of capital

The notional cost of capital is calculated as £34,130 (2007: £27,527).

The credit entry corresponding to the notional cost of capital is shown as a reversing entry below the result for the year.

### 22 Revaluation reserve

	<b>2008</b>	2007
	£	£
Balance at 1 April 2007	<b>200,765</b>	203,845
Revaluation of buildings, plant, office equipment and motor vehicles	-	(3,080)
<b>Balance at 31 March 2008</b>	<b>200,765</b>	200,765

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

### 23 Commitment to pension fund

The company operates a pension scheme for its employees, providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company. Contributions to the scheme are charged to the income and expenditure account 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 2003.

The company operates a defined benefit scheme in the UK. A full actuarial valuation was carried out at 5 April 2003 and updated to 31 March 2008 by a qualified independent actuary. The major assumptions used by the actuary were (in nominal terms):

	<b>31 March 2008</b>	31 March 2007	31 March 2006
	%	%	%
Rate of increase in salaries	<b>4.50</b>	4.00	3.75
Rate of increase of pensions in payment	<b>3.50</b>	3.00	2.75
Discount rate	<b>5.80</b>	5.40	5.00
Inflation assumption	<b>3.50</b>	3.00	2.75

The assets in the scheme and the expected rate of return were:

	<b>Long term rate of return expected at 31 March 2008 %</b>	<b>Value at 31 March 2008 £'000</b>	<b>Long term rate of return expected at 31 March 2007 %</b>	<b>Value at 31 March 2007 £'000</b>	<b>Long term rate of return expected at 31 March 2006 %</b>	<b>Value at 31 March 2006 £'000</b>
Equities	<b>7.60</b>	<b>5,250</b>	7.70	5,460	7.00	4,742
Bonds	<b>5.70</b>	<b>1,171</b>	5.00	794	4.60	526
Cash	<b>5.00</b>	<b>112</b>	5.25	74	4.50	78

The following amounts at 31 March 2007, 31 March 2006, and 31 March 2004 were measured in accordance with the requirements of FRS 17:

	<b>2008 £'000</b>	2007 £'000	2006 £'000
Total market value of assets	<b>6533</b>	6,328	5,346
Present value of scheme liabilities	<b>(9,391)</b>	(8,257)	(7,779)
Deficit in the scheme	<b>(2,858)</b>	(1,929)	(2,433)
Net pension liability	<b>(2,858)</b>	(1,929)	(2,433)

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

### 23 Commitment to pension fund (continued)

#### Analysis of amount charged to operating profit in respect of defined benefit scheme

	2008				2007
	£'000				£'000
<b>Operating profit</b>					
Current service cost	(477)				(494)
Past service cost	-				-
	(477)				(494)
<b>Analysis of amounts charged to other finance income</b>					
Expected return on pension scheme assets	486				373
Interest on pension scheme liabilities	(460)				(401)
Net return	26				(28)
<b>Statement of total recognised gains and losses (STRGL)</b>					
Actual return less expected return on pension scheme assets	(876)				216
Experience gains and losses arising on the scheme liabilities	17				21
Changes in assumptions underlying the present value of the scheme liabilities	(164)				393
<b>Actuarial loss recognised in STRGL</b>	(1,023)				630
	2008				2007
	£'000				£'000
<b>Movement in deficit during the year</b>					
Deficit in scheme at beginning of the year	(1,929)				(2,433)
Movement in year:					
Current service cost	(477)				(494)
Contributions	545				396
Past service cost	-				-
Other finance charge	26				(28)
Actuarial loss	(1,023)				630
<b>Deficit in scheme at end of the year</b>	(2,858)				(1,929)
<b>Details of experience gains and losses</b>	2008	2007	2006	2005	
<b>Difference between the expected and actual return on scheme assets:</b>					
Amount (£'000)	(876)	216	792	219	
Percentage of scheme assets (%)	(13)	3	15	6	
<b>Experience gains and losses on scheme liabilities:</b>					
Amount (£'000)	17	21	(4)	23	
Percentage of the present value of the scheme liabilities (%)	-	-	-	-	
<b>Total amount recognised in statement of total recognised gains and losses:</b>					
Amount (£'000)	(1,023)	630	(247)	379	
Percentage of the present value of the scheme liabilities (%)	(11)	8	(3)	6	

The agreed contribution rate for the current year is 13% and for the next three years is 16% .

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

### 24 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) £	Balance due from/(to) DEL £	Retention monies due £	Loan £	Grants Received £
<b>Department for Employment and Learning</b>					
<b>31 March 2008</b>	<b>322,111</b>	<b>105,957</b>	<b>526,850</b>	<b>2,338,442</b>	<b>541,000</b>
31 March 2007	359,322	45,922	470,730	2,281,837	588,443

**Appendix 1**

**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) an income and expenditure account;
- (c) a balance sheet;
- (d) a cash flow statement; and
- (e) a statement of total recognised gains and losses

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 (Northern Ireland) Order 1986 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 balance sheet shall be prepared under the historical cost convention modified by the inclusion of:

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

**Appendix 1**

**Schedule 1**

**Application of the Accounting and Disclosure Requirements of the Companies (Northern Ireland) Order 1986 and Accounting Standards**

**Companies (Northern Ireland) Order 1986.**

- 1 The disclosure exemptions permitted by the Companies (Northern Ireland) Order 1986 shall not apply to Ulster Supported Employment Limited unless specifically approved by DFP.
- 2 The Companies (Northern Ireland) Order 1986 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 1 prescribed in Schedule 4 to the Companies (Northern Ireland) Order 1986.
- 4 When preparing its balance sheet, Ulster Supported Employment Limited shall have regard to balance sheet format 1 prescribed in Schedule 4 to the Companies (Northern Ireland) Order 1986. The balance sheet 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 (Northern Ireland) Order 1986.
- 6 The foreword and balance sheet 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
  - (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.

**Appendix 2**

**Profit and loss account  
for the year ended 31 March 2008**

	<b>2008</b>	2007
	<b>£</b>	£
<b>Turnover (including grant income)</b>	<b>8,199,780</b>	7,571,922
Operating expenses	<b>(8,245,407)</b>	(7,740,699)
<b>Operating loss</b>	<b>45,627</b>	(168,777)
Interest receivable and similar income	<b>36,865</b>	(5,068)
<b>Loss on ordinary activities before taxation</b>	<b>(8,762)</b>	(173,845)
Taxation	-	-
<b>Loss on ordinary activities after taxation and retained loss for the year</b>	<b>(8,762)</b>	(173,845)

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

This statement does not form part of the audited accounts.