



ANNUAL REPORT & ACCOUNTS

For Year Ended 31st March 2025

ULSTER SUPPORTED EMPLOYMENT LTD.

Registered No. NI 005192

**Ulster Supported Employment Limited
Annual Report and Accounts
for the year ended 31 March 2025**

Annual Report and Accounts for the year ended 31 March 2025

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DIRECTORS AND ADVISERS

Directors

William Leathem (Chairman)
Raymond Donnelly
Dermot O'Hara (resigned on 10 December 2024)
Ray Havlin
Sarah Wakfer
Damian Duffy
Ellen Finlay (appointed on 1 December 2024)
Michele Corkey (appointed on 1 January 2025)

Chief Executive and Accounting Officer

Scott Jackson (Interim 15 January 2024 – 16 April 2025, Permanent from 17 April 2025)

Company Secretary

Regan Smyth

Registered Office

182 - 188 Cambrai Street
Belfast
BT13 3JH

Bankers

Danske Bank Limited
Donegall Square West
Belfast
BT1 6JS

Solicitors

Johns Elliot & Co
40 Linenhall Street
Belfast
BT2 8BA

Statutory Auditor

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

CHIEF EXECUTIVE'S FOREWORD

I am pleased to present our Annual Report and Financial Statements for 2024-2025.

This has been a year of significant challenge for Ulster Supported Employment Limited (USEL), reflecting both the wider economic environment and specific pressures on our organisation as a Non-Departmental Public Body (NDPB) operating in an increasingly complex landscape. As Chief Executive and Accounting Officer, I am acutely aware of the weight of responsibility that comes with stewarding an organisation of USEL's scale, reach, and impact—one that exists to support people with disabilities and health conditions into meaningful employment across Northern Ireland.

Throughout 2024–2025, our people have once again been the driving force behind USEL's success. Their professionalism, resilience, and shared commitment to our mission have ensured that, even in the face of significant headwinds, we have continued to deliver life-changing employment support for individuals with disabilities and health related conditions across Northern Ireland. On behalf of the Board and the Senior Management Team, I would like to express my sincere gratitude to every member of staff. It is their dedication that underpins both our impact and our reputation as a leading public body.

This year has presented profound operational and financial challenges. USEL has operated against a backdrop of persistent inflation, real living wage uplifts, increased demand for services, and the ongoing management of legacy liabilities. As Chief Executive and Accounting Officer, I have placed a clear focus on maintaining financial discipline, strengthening governance, and safeguarding value for money, while ensuring that the delivery of high-quality services to our clients has remained paramount. Despite these pressures, USEL has continued to generate measurable social value and deliver on its core purpose.

Employment Services

Our Employment Services teams have continued to deliver outstanding support to individuals with disabilities and health conditions across Northern Ireland. Over the course of the year, more than 1,100 clients have been supported through our dedicated employment and training programmes, each designed to remove barriers and create sustainable pathways into work.

Our established Ability Cafés have remained an important element of this work, offering valuable hands-on training, mentoring, and supported work experience. These cafés continue to provide participants with the confidence, skills, and real-world experience necessary to progress towards employment, reflecting USEL's commitment to inclusion and empowerment through enterprise.

Recycling and Manufacturing

Our recycling and manufacturing teams have once again played a vital role in sustaining USEL's operational and financial resilience. Throughout the year, they have delivered high-quality, reliable services to a wide range of stakeholders, including central and local government, commercial clients, and community partners. Their unwavering professionalism and commitment to excellence have ensured that these services not only meet but consistently exceed expectations, even in the face of rising costs and increasing operational pressures.

These commercial activities are fundamental to USEL's social enterprise business model. The revenue generated through our manufacturing and recycling operations enables us to reinvest in our core mission of supporting people with disabilities and conditions into sustainable employment. By maintaining strong commercial performance alongside our social impact objectives, our teams have helped to safeguard the organisation's long-term viability while continuing to create meaningful social value for the communities we serve.

Corporate Services

Our Corporate Services team has been pivotal in underpinning every aspect of USEL's operations over the past year. Operating at the heart of the organisation, this team has provided the essential infrastructure, governance, and professional expertise that enable our front-line services and commercial activities to succeed. From finance, HR, ICT, procurement, compliance, and facilities management, their contributions touch every part of the organisation and are fundamental to our ability to deliver on our social mission.

In what has been an exceptionally challenging year—marked by financial pressures, increased regulatory scrutiny, and the need for organisational agility—our Corporate Services professionals have shown outstanding resilience, adaptability, and focus. They have safeguarded the integrity of our systems, maintained robust financial controls, supported the wellbeing of our workforce, and ensured compliance with the highest standards of governance expected of a public body. Their work has been critical in allowing our operational teams to remain focused on service delivery, confident that the organisation's core functions are being expertly managed.

As Chief Executive and Accounting Officer, I recognise that the enduring progress USEL has made—despite significant historical pressures. The passion, professionalism, and commitment demonstrated across the organisation, and exemplified by our Corporate Services team, form the foundation of our resilience, reputation, and future success. I am confident that with this team in place, USEL is well positioned to continue delivering measurable social value for the people and communities we serve.



Scott Jackson
Chief Executive Officer, USEL
Date: 26 November 2025

NON-EXECUTIVE BOARD MEMBER REPORT

It is an honour and a privilege to pen this foreword as Chairman of the Board of USEL.

For 154 years, from 1871 to 2025, we have been providing employment opportunities for people living with a disability or health condition—both at our sites in Belfast and across Northern Ireland. Throughout this time, we have offered jobs across a wide range of sectors and industries.

Over the years, we have adapted and diversified our business model in response to an ever-changing economic landscape—always with the aim of creating and sustaining employment opportunities for people with disabilities. Our mission, however, has remained constant since 1871: to champion ‘Ability in Action’.

Since becoming Chairman of USEL in 2019, I have seen first-hand the remarkable work carried out each day by our dedicated staff. Their passion and commitment continue to make a meaningful difference in the lives of those we support. USEL would not be the organisation it is today without the dedication of both past and present team members. I would like to take this opportunity to thank all our staff for their ongoing commitment to supporting individuals with disabilities to find and sustain employment.

Our staff have also played a pivotal role in supporting key stakeholders and delivering vital services and equipment to frontline services across Northern Ireland.

USEL’s strategic vision is grounded in our core purpose and values and is closely aligned with the themes of the Department for Communities’ strategy. The Board has remained focused on delivering the organisation’s primary aim—to support people with disabilities or health conditions to gain employment—through four key strategic pillars:

- Sustainability & Growth
- Wellbeing & Inclusion
- Agility & Innovation
- People Focused

The Chief Executive’s Performance Report outlines the organisation’s key business achievements over the past 12 months, capturing activity up to the end of March 2025.

A significant amount of the Board’s time has been dedicated to ensuring strong governance and compliance across all aspects of the organisation. As Chair, I am particularly grateful for the diligent work of our committees:

- The Audit and Risk Assurance Committee, chaired by Mr Dermot O’Hara until December 2024, and now chaired by Mrs Sarah Wakfer
- The Finance Committee, chaired by Mr Damian Duffy
- The People, Organisation and Development (POD) Committee, chaired by Mr Raymond Donnelly

All three committees have operated effectively and have robust work plans in place for the year ahead. I would also like to extend my thanks to our rotating Board Vice Chair, Mrs Sarah Wakfer, for her valued guidance and support.

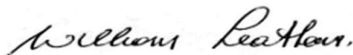
As an NDPB, our relationship with our sponsor department—the Department for Communities (DfC)—is vital. We have established strong structures to manage this relationship, including monthly governance meetings between the DfC sponsor team and USEL’s Senior Leadership Team. In addition, quarterly accountability meetings are held with the USEL Chair and Accounting Officer, alongside the Director of Work and Wellbeing from DfC.

I would like to formally acknowledge and thank our Sponsor Branch for its continued support. We look forward to building on this relationship in the year ahead.

The Board has also been encouraged by the high level of staff engagement. Our Employee Performance Review process, grounded in USEL’s Values Framework, promotes an accountable two-way dialogue that motivates, supports, and enables the development of best practice and professional growth among staff.

It has been a privilege to work alongside the Board, and I thank each member for their dedication and support. During this reporting period, I was pleased to welcome two new Board members: Mrs Ellen Finlay and Mrs Michele Corkey. I was also sorry to see Mr Dermot O’Hara step down, and I would like to sincerely thank him for over five years of dedicated service to USEL.

Finally, I pay special tribute to the Senior Management Team and all of our staff. Their commitment, professionalism, and enthusiasm have been exemplary. The business model we have developed is both ambitious and sustainable, and I am confident it will help secure USEL’s long-term future as an organisation that proudly continues to champion ‘Ability in Action’.



William Leatham
Chair of USEL Board
Date: 26 November 2025

PERFORMANCE REPORT

PERFORMANCE OVERVIEW

This performance overview outlines the strategic role of the Board, the organisation's purpose, and the outcomes achieved during the reporting year.

There were no changes to USEL's core activities during the year, nor are any changes anticipated in the foreseeable future. The company continues to operate within its established remit, with a clear focus on delivering social value through enterprise.

USEL is a company limited by guarantee, operating in compliance with the Companies Act 2006. The organisation has submitted the required documentation to the Charity Commission for Northern Ireland (CCNI) and remains on the "deemed list" pending assessment. Following consultation with the auditors regarding USEL's charitable status, it was agreed that the Charities SORP (Statement of Recommended Practice) would be adopted in accordance with Financial Reporting Standard FRS 102.

Though USEL is classified as an NDPB, it functions under a social enterprise business model. This means that while it pursues a public benefit mission, it must also address typical business challenges, such as cost management, market competition, and cash flow. Our products must remain competitive in quality and value, and our services must continue to meet client expectations to ensure maximum impact and accountability.

Risk Management and Governance

Risk is monitored and controlled through a structured process. A Risk Register is maintained and reviewed monthly by the Board and quarterly by the Audit and Risk Assurance Committee. A comprehensive outline of risk management activity is provided in the Governance Statement.

Core risks currently relate to succession planning; recruitment and retention; budgetary pressures; employment services programmes; financial and operational management and long-term pension solvency risk and associated employer covenant. These are recognised as significant and probable risks. Further detail on these risks and the mitigating actions can be found in the Governance Statement on page 30. The Board is satisfied that adequate controls and measures are in place to manage these risks effectively.

Operational and strategic risks are reviewed by the Senior Management Team on a regular basis and are a standard agenda item at monthly Board meetings. This process is supported by detailed monthly reporting from the Senior Management Team.

Financial Overview

Financial results for the year are set out in the Statement of Financial Activities (page 55).

Net income for the year was £72,355, compared to £207,821 in 2023–24. The main contributor to the decrease in the net income position is the fluctuation year to year in the pension administration expense.

The Balance Sheet position decreased to £849,712 in 2024-25 from £3,275,555 in 2023-24 due to the effect of recognising the asset ceiling and associated onerous liability on the defined benefit pension scheme.

The Directors are confident that the organisation continues to be a going concern.

Business Operations and Departmental Review

USEL operates through three key departments: Manufacturing and Recycling, Employment Services, and Corporate Services. The organisation receives partial funding through Grant-in-Aid but generates additional income through enterprise activity.

Workforce Profile

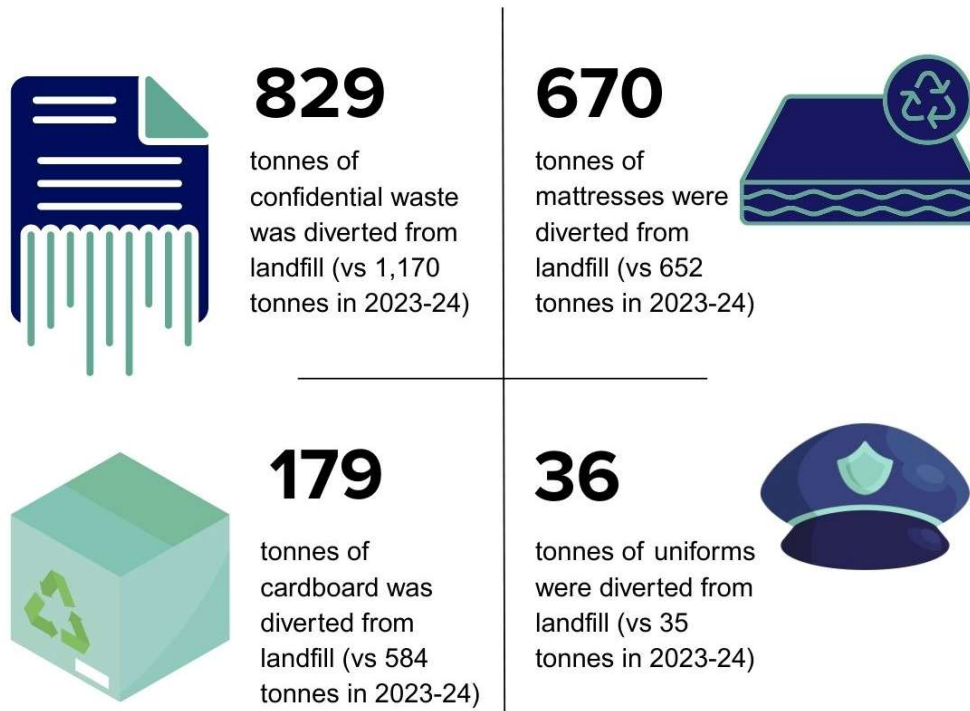
As of the reporting date, 69% of the workforce (2023–24: 66%) identify as having a disability. USEL remains committed to inclusive employment practices and is recognised as a significant employer of people with disabilities or health related conditions across Northern Ireland.



Manufacturing and Recycling Department

Operating from the Cambrai Street site, this department produces a range of industrial sewing products manufactured to high quality standards, including compliance with fire retardancy regulations. Surplus revenue generated from product sales is reinvested into the organisation. The Circular Economy operations include mattress recycling, confidential waste shredding, and cardboard recycling.

In 2024-25 the following outputs were achieved:



These activities contribute not only to environmental sustainability but also to the creation of meaningful employment opportunities.

Employment Services Department

This department provides supported employment programmes to approximately 1,100 clients across Northern Ireland. Programmes are secured through open competitive tendering processes. The Employment Services team comprises a mixture of client facing personnel known as Employment Services Officers and Employer Engagement Officers supported in a back-office function by administrators, marketing, and management functions.

The Ability Café initiative operates under this department, providing real-world training opportunities for individuals engaged in the Empower and Skills for Life and Work (SFLW) programmes.

Employment Outcomes: Over 70% of participants trained at the Ability Café progressed into supported employment. Eligible participants transitioned into the Workable programme.

Revenue: The cafés generated over £755,000 income in 2024–25 (2023-24 - £1,072,700).

Operating Sites: The Foundry, The Stables, and Belfast Zoo (until January 2025).

Corporate Services Department

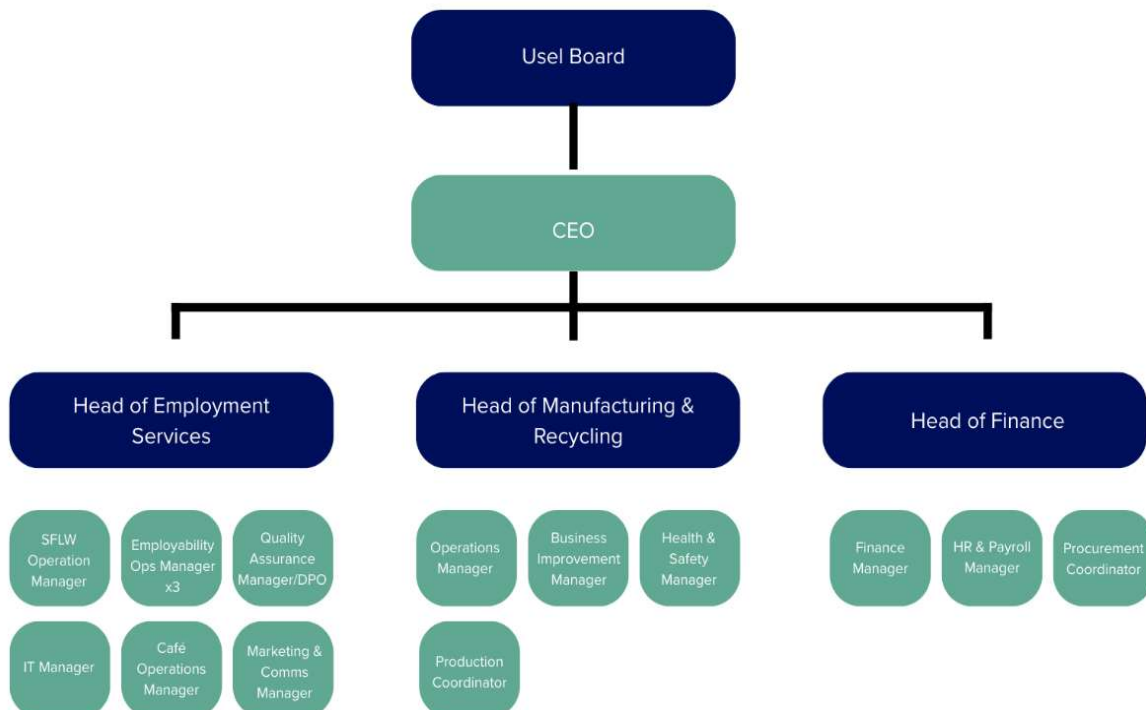
This department underpins the organisation's operations by providing finance, ICT, compliance, and HR services.

Organisational Purpose

USEL's mission is to support individuals with disabilities or health related conditions to move closer to, into, and within employment, education, and training. This commitment is reflected across all departments, aligned under USEL's motto: "U-Make, U-Work, U-Learn"—a principle that drives inclusive economic participation and personal development.

Organisational Structure

The management structure of the Organisation is set out below:



Going Concern

The Company's Balance Sheet position has deteriorated during the year, due to the effect of recognising the asset ceiling and associated onerous liability on the defined benefit pension scheme.

Confirmation of Grant-in Aid funding for 2025-26 was received in May 2025 and although the budgetary outlook for 2025-26 remains challenging, the Directors are satisfied that the going concern assumption remains appropriate.

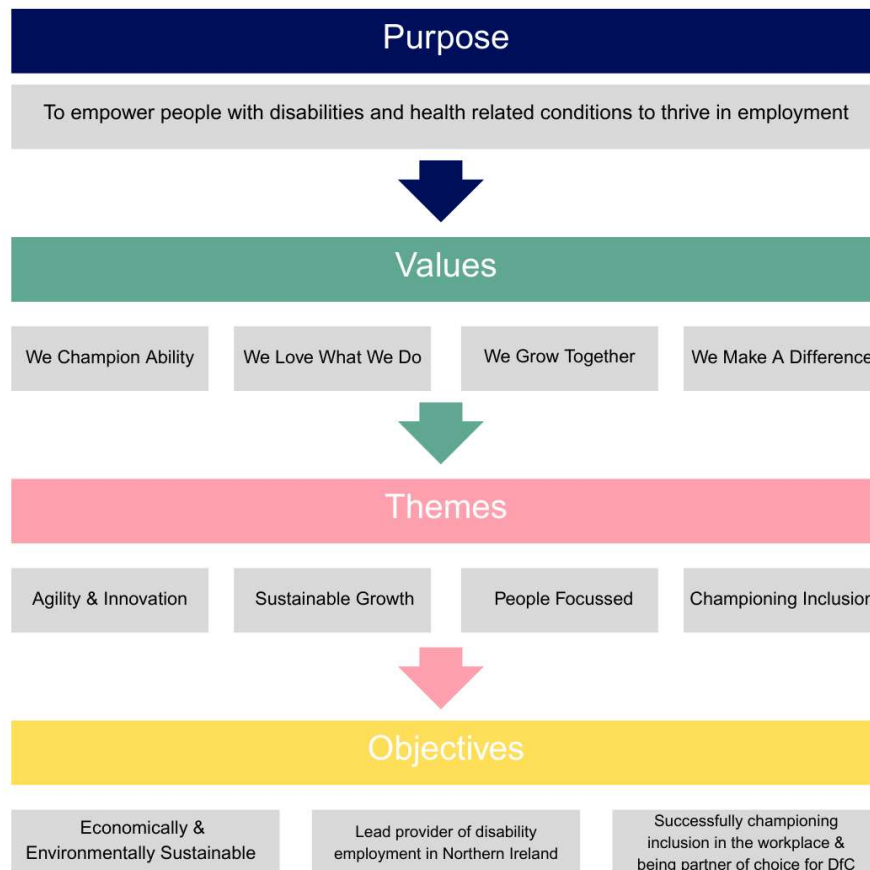
PERFORMANCE ANALYSIS

This section provides an overview of USEL's corporate performance during the 2024–25 reporting period, along with a summary of the organisation's purpose and activities.

In 2024–25, USEL made significant progress in delivering its core mission and strategic priorities, as defined in the 2022–2027 Strategic Plan. This strategic plan provides a clear roadmap, aligning the Company's purpose, values, behaviours, and strategic themes into defined objectives to be delivered over the five-year period.

The strategy is underpinned by a robust performance management framework designed to ensure alignment between strategic objectives, operational delivery, and measurable outcomes. This approach is embedded across the organisation to support evidence-based decision-making and continuous improvement to ensure alignment between corporate goals, departmental objectives, and individual performance. Business and team achievements are monitored through a comprehensive set of key performance indicators, supporting data-driven decision-making and continuous improvement.

USEL remains committed to delivering measurable impact across all service areas, with a focus on inclusive employment, environmental responsibility, and financial sustainability.



Strategic Partnerships and Business Development

As USEL continues to grow and evolve, the ability to engage in effective networking and form strategic partnerships has become a core business competency. The identification of collaborative partners—those aligned with USEL’s mission and values—is now a key driver of the organisation’s long-term success.

Developing sustainable partnerships across diverse geographies and sectors is central to USEL’s approach. This includes relationships within Northern Ireland, across the UK, and internationally, spanning the private, public, voluntary, and community sectors. In particular, partnerships that align with the principles of social enterprise are considered a vital component of USEL’s strategic direction.

This relationship-led approach enables USEL to broaden its reach, enhance innovation, and deliver greater impact through co-designed and co-delivered solutions.

Objectives and Strategies

As an NDPB of DfC, USEL is committed to supporting both departmental and wider government priorities. The organisation’s Strategic Plan aligns with and complements several key government frameworks, including:

- The Draft Programme for Government Outcomes Framework
- DfC’s Building Inclusive Communities Strategy 2020 - 2025
- DfC’s Disability Action Plan 2020 - 2024

USEL’s strategy has been developed to contribute meaningfully to the vision set out in these frameworks, particularly in areas that support social inclusion, economic participation, and equality of opportunity.

These themes are embedded in USEL’s organisational objectives and influence both operational planning and performance measurement across all departments.

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PERFORMANCE REPORT

Key	Complete	On track	Behind	
				
Objective	Strategic Theme	Activities	Progress To Date	Status
To become economically and environmentally sustainable	Sustainability & Inclusive Growth Agility & Innovation	Consolidate manufacturing Explore new service lines Grow Ability Cafes Consolidate and grow Employment Services	<p>Significant progress achieved in 2024–25, including an increase in mattress recycling capacity with 28,577 units processed (up 0.8% from 28,347 in 2023–24), the securing of new confidential shredding contracts, and the continuation of strong industrial sewing production performance with new contracts across emergency services.</p> <p>Additional fulfilment service contracts have further strengthened the organisation's commercial sustainability.</p> <p>During 2024/25, USEL consolidated the Ability Cafes to create a financially sustainable operating model and streamline management oversight across all locations. This consolidation ensured consistent quality standards, improved operational efficiency, and protected employment opportunities for people with disabilities within the cafés.</p> <p>While no further expansion took place during the year, the focus on consolidation has strengthened the platform for possible future measured growth when commercial and funding conditions are favourable.</p>	
Lead provider of disability employment in NI	Sustainability & Inclusive Wellbeing & Inclusion	Develop and implement communication and engagement plan	<p>In 2024–25, USEL remained the leading provider of disability employment programmes in Northern Ireland, supporting approximately 1,100 individuals through initiatives including Workable NI, Empower, Skills for Life & Work, and JobStart.</p> <p>The proportion of staff with a disability increased to 69% (up from 66% in 2023–24), reflecting USEL's commitment to inclusive employment practices. Partnership work with DfC and local employers continued to create meaningful and sustained employment opportunities for people with disabilities and health conditions.</p>	
Champion inclusion in the workplace and be the partner of choice for DfC	Agility & Innovation Wellbeing & Inclusion	Develop and implement people plan	<p>In 2024–25, USEL continued to deliver key employment programmes on behalf of the Department for Communities and the Department for Economy, including Workable NI, Empower, Skills for Life & Work, and JobStart.</p> <p>The Empower Programme was extended for one year; however, the lack of longer-term funding commitments remains a concern for future service delivery. Through JobStart, 59 participants with disabilities were supported into employment opportunities, and USEL maintained strong engagement with employers across Northern Ireland to promote inclusive recruitment practices.</p>	

Detailed Analysis

Employment Services Department

USEL's Employment Services Department continues to deliver a range of high-impact employment programmes designed to support individuals with disabilities and health related conditions. These initiatives aim to increase access to employment, improve employability, and deliver long-term positive outcomes.

A: Employment Support Scheme (ES)

The Employment Support Scheme provides long-term assistance to individuals with disabilities to help them sustain employment and manage any barriers related to their condition. USEL remains the largest provider of this programme in Northern Ireland.

In 2024-25 ES had the following outcomes:



B: Empower

A UK Shared Prosperity Fund (UKSPF) project, the Empower programme supports economically inactive individuals with disabilities to prepare for and enter employment. USEL delivers a comprehensive suite of services including employability training, accredited and non-accredited qualifications, wellbeing support, work placements, and employment academies.

In 2024-25 Empower had the following outcomes:



Training Outcomes (2024-25):



C: Workable NI Programme

Workable (NI) offers tailored, long-term support to individuals with disabilities who face barriers to employment, whether they're starting a new job or finding challenges in their current role. It applies to positions of **10 hours per week or more** and supports people aged **16+** on jobs of at least a **6-month**. USEL is one of the main providers and we cover all Northern Ireland.

Services include:

- One-to-one job coaching and mentoring
- On-the-job and external training
- Disability awareness and communication tactics training for employers and colleagues
- Advice on reasonable workplace adjustments
- Confidence, wellbeing, and peer support
- Referrals to other relevant services (e.g., Access to Work, condition management)

In 2024-25 Workable had the following outcomes:



D: Skills for Life and Work (Disability Support).

In 2024–25, USEL delivered the Disability Support Services (DSS) contract as part of the Skills for Life and Work programme. This programme is designed to support young people who have a disability and are participating in full-time training through approved training organisations and further education colleges. The DSS element provides personalised, disability-related support to help participants overcome barriers to learning and develop the confidence and skills needed to move towards employment or further education.

The support delivered includes one-to-one mentoring, in-class and work placement assistance, and regular reviews with training providers to monitor progress and ensure individual needs are being met.

USEL worked in partnership with training providers and colleges to deliver tailored support to 61 participants on the Skills for Life and Work programme.

E: Skills for Life and Work

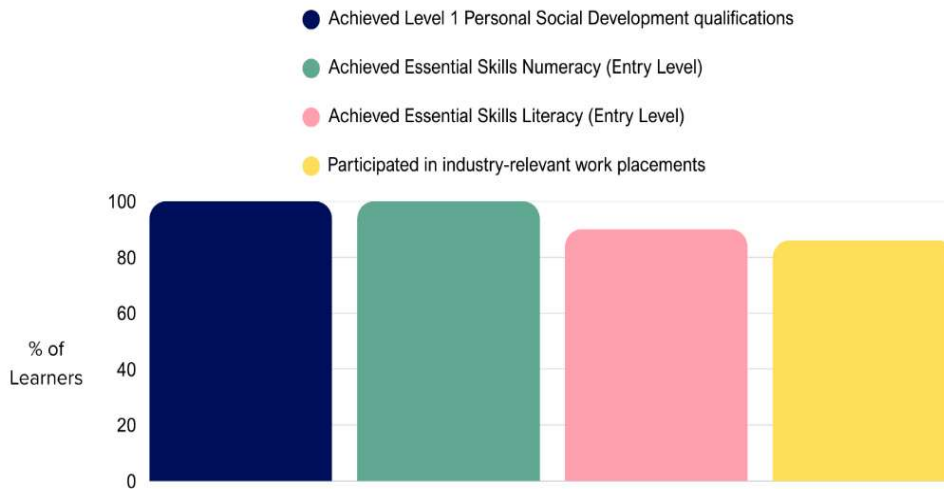
The Skills for Life and Work (SFLW) programme supports young people with disabilities by providing essential skills, qualifications, and work experience to help them progress into further education or employment. Delivered in partnership with training providers and local schools, the programme focuses on learner-centred support and meaningful work placements aligned with individual career goals. It plays a key role in preparing participants for successful transitions into future opportunities.

The SFLW programme at USEL supports 43 learners and experienced a 64% intake increase in September 2024 due to the success of the School Links outreach initiative, delivered in partnership with All Saints College and St Gerard's School.

Key Outcomes:

- 100% of leavers achieved Level 1 Personal Social Development qualifications
- 100% of current learners achieved Essential Skills Numeracy (Entry Level)
- 90% achieved Essential Skills Literacy (Entry Level), with remaining on track
- 86% of eligible learners participated in industry-relevant work placements
- Non-eligible learners engaged in experiential learning through enterprise-themed projects such as UGrow Garden and Make 5 Grow

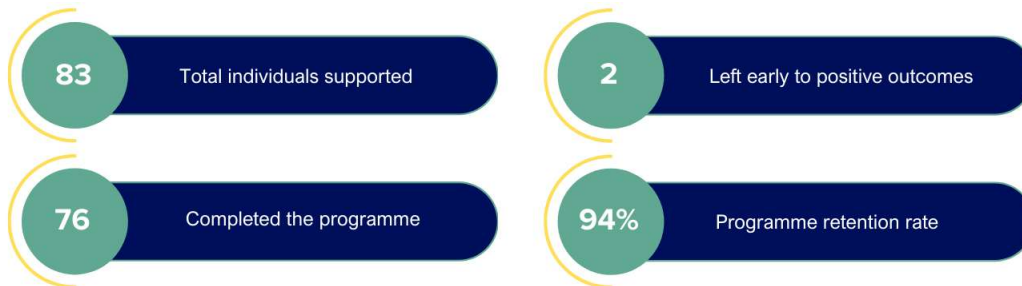
USEL's strong employer network continues to play a pivotal role in delivering placements that align with learners' aspirations and promote long-term career progression



F: Step Up (DARE - Disability Access Route to Education and Employment)

Delivered in partnership with Belfast Met, DARE supports individuals aged 16+ with disabilities to improve their skills and career prospects through structured mentoring, goal setting, and personal development.

In 2024-25 Step Up (DARE) had the following outcomes:



G: JobStart Brokerage Service

Under an agreement with DfC, USEL delivered a brokerage service helping young people with disabilities aged 16–24 into JobStart positions.

- Participants brokered into JobStart roles in 2024–25: 59
- Total programme participants: 105

Manufacturing and Recycling Department:

The Manufacturing and recycling department delivers two key areas:

1: Industrial sewing

The Industrial Sewing department delivered another strong performance in 2024-25, maintaining the positive momentum achieved in the previous year. A focused production strategy, combined with effective customer engagement, enabled the department to exceed its financial targets once again.

Building on established relationships with key clients across the Fire, Police, and Ambulance services in Northern Ireland, the wider UK, and the Republic of Ireland, USEL successfully fulfilled existing contracts while securing new opportunities. The collaboration with Amber Fire in the Republic of Ireland expanded during 2024-25, with increased volumes for kit bag production demonstrating confidence in our capability and reliability.

Our service fulfilment contract with DfC Commercial Services Division remained stable, providing a consistent revenue stream and reinforcing USEL's reputation as a trusted supplier to the public sector.

2: Circular economy

Mattress recycling

The mattress recycling operation continued to grow in 2024-25, strengthening USEL's position as a leading provider of sustainable waste management solutions in Northern Ireland. Contracts with Belfast City Council, Lisburn and Castlereagh City Council, and Mid and East Antrim Borough Council progressed successfully, with commitments secured through to 2025-26. In addition, USEL explored further opportunities in the commercial sector, including specialist one-off contracts such as cruise ship collections, supporting our circular economy objectives and diverting waste from landfill.

Confidential shredding

The confidential shredding business unit delivered another strong year, exceeding budgetary expectations. Our longstanding contracts with the Northern Ireland Civil Service and the Northern Ireland Housing Executive continued to perform well, supported by efficient service delivery and robust compliance with data security requirements.

Paper recycling

Throughout 2024-25, USEL maintained its partnerships for multi-grade paper recycling with private sector clients and Mid and East Antrim Borough Council. This service continues to play a key role in promoting environmental sustainability and supporting the region's recycling targets.

Corporate Social Responsibility

USEL's approach to corporate responsibility is grounded in its values:

"We strive to be a people-centred, sustainable organisation that adds value through respect for others and commitment to excellence."

Social and Environmental Impact

USEL aligns its impact measurement to the Northern Ireland Programme for Government and the UN Sustainable Development Goals. The Company continues to deliver community benefit through inclusive employment and environmental responsibility.

Quality and Continuous Improvement

- Accredited with ISO 9001 and ISO 14001 (Quality and Environmental Management systems)
- Accredited with ISO 45001 for Health & Safety
- Major non-conformances: None reported in 2024–25 (2023-24: none).

Environmental Commitment

Within Operations and outlying offices, USEL continues to monitor consumables. As the organisation continues to look to more environmentally friendly substitutes, such as solar power rather than relying on electric.

Disability Discrimination (Northern Ireland) Order 2006

Under Section 49A of the Disability Discrimination Act 1995 (DDA 1995) (as amended by Article 5 of the Disability Discrimination (Northern Ireland) Order 2006), USEL is required when carrying out its functions to have due regard to the need to:

- promote positive attitudes towards disabled people; and
- encourage participation by disabled people in public life ('the disability duties').

Under Section 49B of the DDA 1995, USEL is also required to submit to the Equality Commission a disability action plan showing how it proposes to fulfill these duties in relation to its functions.

The approved Disability Action Plan (2025-2028) is available on our website www.usel.co.uk.

We have appropriate internal arrangements in place to ensure that the disability duties are complied with, and this disability action plan is effectively implemented, through action measures, employee feedback and training.

We ensure the effective communication of the plan to employees, provide all necessary training and guidance on the disability duties and the implementation of the plan.

As at 31st March 2025, approximately 69% (2023-2024: 66%) of USEL staff within our operational teams live with a disability or health condition.

Section 75 Duties

As an NDPB, USEL has a requirement to comply with the Northern Ireland Act 1998, Section 75 Statutory Duties and produce an Equality Scheme outlining the processes the Company will follow to ensure its obligations are met. The Company maintains a firm commitment to meeting its Section 75 obligations. The HR and Payroll Manager has responsibility for compliance and adherence with the full support of the Board and Senior Management Team.

Respect for Human Rights

Through mechanisms such as Section 75 and Section 49B outlined above, USEL demonstrates its support in respecting individuals' human rights.

Anti-Corruption and Anti-Bribery Matters

USEL have policies in place to protect the organisation and its staff from corruption and bribery. There were no instances of corruption or bribery in 2024-25 (2023-24: nil).

Reporting of Complaints

USEL aims to have an effective complaints system to resolve issues, as far as possible, on the spot without the need for a full formal procedure.

If a complaint is logged, a written response will be drafted. These responses are monitored to ensure that it deals with all points raised. An apology will be given when a mistake has been made. Where appropriate, USEL will demonstrate what action will be taken to minimise future complaints of a similar nature.

In 2024-25, no complaints were logged (2023-24: no complaints were logged.)

Information Assurance and Management

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

- Updating servers and firewalls to meet latest security protocols
- Back up procedures to ensure data is protected and stored electronically
- Management of data in manual format to protect it and safeguard the data
- Updating the Data Protection Policy procedure for all staff due to implementation of General Data Protection Regulation in May 2018
- Enforcing Company policies on ICT equipment
- Business Continuity Plan

Throughout the year 1 April 2024 – 31 March 2025, I can confirm that there were no data breaches.

Payments to suppliers

USEL 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. On average 99% (2023-24: 98%) of supplier invoices were settled within this timeframe.

In addition, in line with Government Best Practice USEL endeavour to pay within 10 working days. On average, 92% (2023-24: 76%) of supplier invoices were settled within this timeframe.

Employee involvement

USEL fosters a culture of open communication and involvement through structured engagement mechanisms:

- CEO briefings across all departments
- Union and employee representation through formal meetings
- Annual staff survey
- Quarterly health and well being initiatives
- Regular team meetings to share updates and gather feedback
- Health and Safety Committee oversight

The CEO is the designated competent person for health and safety, working in collaboration with external advisors.

Policies on training and employment for individuals with disabilities are available on the Company's website: www.usel.co.uk.

Auditor's Remuneration

The Auditor's Remuneration is stated in Note 7 to the Financial Statements.



Scott Jackson
Chief Executive and Accounting Officer
Date: 26 November 2025

ACCOUNTABILITY REPORT

CORPORATE GOVERNANCE REPORT

Directors' Report for the Year Ended 31 March 2025

The Directors' Report has an important function in providing stakeholders with information about the company's business which may not be ascertainable from the financial information given in the accounts.

The Directors and Advisers are listed on page 4.

Details of the composition of the Board during 2024-25 are disclosed below:

William Leathem – Chairman

Mr Leathem is a former elected member of Lisburn and Castlereagh City Council, where he served as Chair of both the Governance & Audit Committee and the Development Committee. He has also served as a member of the District Policing Partnership and held Board positions with the Ulster-Scots Agency, Libraries NI and the Consumer Council for Northern Ireland. Mr Leathem brings extensive experience in audit, governance, project management and financial oversight to his role. He currently holds a public appointment as Vice-Chair of the Arts Council of Northern Ireland (ACNI) and is a Trustee of the USEL retirement benefit Scheme. He has been politically active on behalf of the Democratic Unionist Party (DUP) within the past 5 years.

Raymond Donnelly – Director

Mr Donnelly's background is within Human Resource Management and Business Improvement. He has been a member of the Corporate Management Team in several organisations across Health and Social Care and Local Government, and most recently in the Judicial Appointments Commission. Raymond is an independent HR/OD Consultant and an associate of both the HSC Leadership Centre and the Strategic Investment Board. He has deep experience across the HR spectrum, including organisational strategy and change. He does not hold any other public appointments.

Dermot O'Hara – Director

Mr O'Hara is a former Director of People Strategies with the Local Government Staff Commission for NI. He currently provides Human Resource and Organisation Development support, on a consultancy basis to a range of organisations. He is a former Non-Executive Director of the South Eastern Health and Social Care Trust Board, where he chaired its Finance Committee, and brings strategic planning skills to the Board. He does not hold any other public appointments, but is a voluntary Board member of the Railway Preservation Society of Ireland.

Ray Havlin – Director

Mr Havlin is the Managing Director of a long-established family business in Northern Ireland. He has extensive experience of business leadership, strategy development, financial planning and risk management. In addition to being a Director of Ulster Supported Employment Ltd, Raymond is a Non-Executive Director with the South Eastern H&SC Trust and a Trustee Governor of a local school in Bangor, County Down.

Sarah Wakfer – Director

Ms Wakfer has varied experience in enterprise risk management, audit, governance and compliance that she brings to USEL. She has over 15 years' experience in Local Government in key roles including Head of Internal Audit and Head of Policy for Arm's Length Bodies and 5 years' experience of carrying out inspections for the Care Quality Commission in England. She also has experience within the voluntary sector as a former Chair of a Community Interest Company and Chair of a Registered Charity supporting people with disabilities. Ms Wakfer currently holds one other public appointment within the Department of Justice and is an authority member for RQIA.

Damian Duffy – Director of Finance

Mr Duffy is currently the Interim Principal and Chief Executive of Belfast Metropolitan College and a member of the Governing Body. He has extensive experience of economic development, training and employability programmes. He is currently the Chair of the Belfast Region City Deal Employability and Skills Steering Group and is a member of the Northern Ireland Chamber of Commerce Council. Having previously worked across the European Union for a number of Government Agencies as a public sector consultant. He has a range of experience in public finance, audit, procurement, business development and project management.

Ellen Finlay – Director

Mrs Finlay is Policy and Development Manager at Samaritans Ireland and Founder of Policy 360, a social enterprise supporting charities and social enterprises to influence policy and build strategic partnerships. With over 25 years' experience in the voluntary sector, she champions disability rights, equality, and social inclusion, alongside work on child poverty, mental health, and women's participation in policy-making. She is also a Non-Executive Director at Belfast Health and Social Care Trust, an Equality Commissioner, and a lay member of the SENDIST panel.

Michele Corkey - Director

Mrs Corkey has over 28 years' experience across primary and post-primary education in Northern Ireland, including 12 years as Principal where she led high-performing schools and oversaw the successful amalgamation of St Ronan's College into one of the largest all-ability grammar schools in the region. Appointed Director of Education in the Education Authority in 2020, she provided strategic leadership across School Improvement, Area Planning, and C2K as part of the Corporate Development Team. She also serves as temporary Chair of Belfast Metropolitan College's governing body and as a Non-Executive Director with the Southern Health and Social Care Trust.

Clarity of roles- review of committee structure:

The Board recognise that the Company is a small entity and therefore the Board and Committee structure should be commensurate with the needs of the entity.

Four sub-groups are currently in operation:

- Audit and Risk Assurance Committee – membership includes the Vice-Chair of the Board plus four board members, with attendance by the CEO, Head of Finance, Internal & External Audit representatives and an observer from DfC;
- Finance Committee – membership includes the Director of Finance, Chair of the Board, plus one other Board member, with attendance by the CEO and Head of Finance;
- POD Committee – membership includes the Chair and Vice-Chair of the Board and two other Board members, with attendance by the CEO, and HR & Payroll manager;

- Health and Safety Committee - membership includes the CEO and members of appropriately qualified staff.

Senior Management Team

During 2024-25 the USEL Senior Management Team was comprised of the following members:

S Jackson - Interim Chief Executive (from 15 January 2024)

David Cowan – Head of Employment Services

Natalie Donnelly – Interim Head of Operations (from 22 January 2024)

Judy Davey - Acting Head of Finance (from 28 February 2024 to 5 May 2024 and 25 July 2024 to 8 November 2024)

Rebecca Clements – Head of Finance (from 6 May 2024 to 24 July 2024)

Rachael McCarthy – Head of Finance (From 11 November 2024)

Register of Interests

The Corporate Governance in Central Government Departments: Code of Good Practice (NI) 2013 requires the Board to publish how it identified any conflicts of interest and potential conflicts and how these have been managed.

At each meeting the members are invited to declare any known information which could pose a conflict of interest. We had no such interests declared during 2024-25 (2023-24: nil) and adequate measures were put in place to ensure no conflicted individuals were involved with any information or decisions taken relating to the discussions. With the ongoing publication of our directors' interests, and any potential conflicts of interest, the wider risk of any challenge to integrity is mitigated. USEL has a policy for the declaration and management of interests in place for all staff.

Several members of the Board of USEL are also involved with other charitable organisations in Northern Ireland, either directly or indirectly as a result of a family relationship, a close friendship or business relationship.

All individuals make an annual declaration of their interests and do not take part in discussions and decisions regarding those organisations with which they have a declared interest.

Details of related party transactions are detailed in Note 21.

Gifts

No gifts were received in the year (2023-24: nil)

Personal Data Related Incidents

There were no personal data related incidents to report in 2024-25 (2023-24: none).

Political Donations

USEL did not make any political donations or incur any political expenditure in 2024-25 (2023-24: £nil).

Auditor

Under the Companies (Public Sector Audit) Order (Northern Ireland) 2013 Ulster Supported Employment Limited is subject to a public sector audit by the Comptroller and Auditor General (C&AG).

STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

The Financial Statements are prepared on an accruals basis and must give a true and fair view of the state of affairs of USEL and of its income and expenditure, Balance Sheet and cash flows for the financial year.

In preparing the Financial Statements, the Accounting Officer is required to comply with the requirements of the *Government Financial Reporting Manual* and in particular to:

- observe the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the *Government Financial Reporting Manual* have been followed, and disclose and explain any material departures in the financial statements;
- prepare the Financial Statements on a going concern basis; and
- confirm that the Annual Report and Financial Statements as a whole are fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The Department for Communities has appointed the Chief Executive as Accounting Officer of USEL. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding USEL's assets, are set out in *Managing Public Money Northern Ireland* published by HM Treasury via the Department of Finance.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that USEL's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

GOVERNANCE STATEMENT

Scope of Responsibility

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

Purpose

The Governance Statement is designed as a synopsis document covering the governance frameworks, their delegated requirements and the effectiveness of our system of control and governance.

We continue to view risk within the systems of internal control as being managed at a reasonable level rather than to eliminate all risk, as this would lead to failure to achieve policies, aims and objectives. USEL, whilst an NDPB, operates as a commercial entity delivering a social enterprise business model in pursuit of the core aims and objectives of the Company.

My governance statement is issued on the basis of an on-going process, rather than a snapshot in time. It is given within the parameters of a system 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 governance has been in place in USEL for the year ended 31 March 2025 and up to the date of approval of the Annual Report and Financial Statements and is in accordance with DoF guidance.

The Governance Framework

Accounting Officer:

As Accounting Officer I discharge my responsibility through a system that is commensurate with the size and nature of the Company. I meet the Director of the Department for Communities and the Head of the Sponsoring Branch to discuss the key business issues. This is further augmented on a quarterly basis with the business meeting between the Sponsoring Branch, the Chairman, the Chief Executive and Head of Finance.

Board:

The Company applies the best principles of good governance with a corporate governance structure of a Board of Non-Executive Directors appointed by the Minister for the Department for Communities, following a public appointment process. USEL comprises a Board of seven Directors, who are appointed following a public appointments process. The Directors appoint one member to act as Finance Director. The Board ensures that the Senior Management Team is supported and challenged in equal measure.

Directors are provided with adequate training in respect of compliance with Codes of Practice, such as HM Treasury Code of Good Practice 2005, this is encapsulated in the terms of reference and code of conduct for Board members provided to each Director upon commencement. Directors receive a copy of Managing Public Money NI.

The Board meets 11 times per year for formal Board meetings and at other times throughout the year as required. The Chief Executive provides the Board with a full management commentary. Senior Managers contribute towards a written commentary from their business area within the Board pack. We meet as a Board and a senior management team annually for a full day to review progress and review Corporate Plan alignment.

The Company's Head of Finance provides the Board with performance against budget, with detailed disclosure of all financial matters relevant to the Company at Board level. The monthly Board pack provides the Board with full disclosure on all matters within the organisation. The Board pack contains key finance, operational and governance information on which the Directors remain fully briefed. The Board noted in its annual review that the data provided to them is comprehensive, sufficiently detailed, accurate and timely. Changes to reporting, enhancing the quality of information to the Board, are implemented promptly.

Annually the Board reviews the performance of the CEO through the delivery of the Corporate and Annual Business Plan. The Board reviews monthly performance of the Company and the senior team attend all Board meetings to provide a direct account for their business area.

On a monthly basis, the Board receives detailed information in respect of the individual business areas. This process ensures full accountability and transparency in their oversight of the Company as it also provides the Board with a breadth and depth of data which is only possible due to the relative scale of the Company.

Board Meetings:

To ensure effective use of Board time, an agenda and supporting papers are circulated one week in advance of meetings, outlining key topics for discussion. This allows the Board sufficient time to discharge its duties effectively. The Board remains focussed on prime issues regarding the Company and providing opportunities to explore key issues monthly.

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During the year the board met 13 times with additional meetings held in July 2024 and February 2025. Attendance of Directors and Senior Managers at Board meetings:

Name of Attendee	Record of Attendance
William Leathem (Chair)	13
Sarah Wakfer (Vice-Chair)	13
Dermot O'Hara <i>(resigned 10 December 2024)</i>	5
Raymond Donnelly	13
Ray Havlin	11
Damian Duffy	11
Ellen Finlay <i>(appointed 01 December 2024)</i>	5
Michele Corkey <i>(appointed 10 January 2025)</i>	3
Chief Executive	13
Head of Employment Services*	12
Head of Operations	11
Head of Finance	11

**a manager attended on 2 occasions to deputise for Head of Employment Services*

Audit and Risk Assurance Committee:

The Audit and Risk Assurance Committee meeting is attended by the Chief Executive and Head of Finance along with External Audit representation from the NIAO and its subcontractor, Ross Boyd Chartered Accountants (RBCA), the sponsoring branch representative and the Internal Audit service provider representative. In addition, the Directors of USEL, except for the Chair of the Board and one other member of the Board, are members of the Audit and Risk Assurance Committee.

While the Committee has the utmost confidence in the CEO and Head of Finance, as part of our process, our standing protocol is that the Chair and Vice Chair meet directly with the external attendees at once a year.

Terms of Reference:

The Audit and Risk Assurance Committee advise the Accounting Officer and Board on:

- the strategic processes for risk, control and governance and the Governance Statement;
- the accounting policies, the Financial Statements, and the annual report of the organisation, including the process for review of the Financial Statements prior to submission for audit, levels of error identified, and management's letter of representation to the External Auditors;
- the planned activity and results of both Internal and External Audit;
- adequacy of management response to issues identified by audit activity, including External Audit's management letter;
- assurances relating to the management of risk and corporate governance requirements for the organisation;
- (where appropriate) proposals for tendering for either Internal or External Audit services;
- anti-fraud policies, whistle-blowing/ "raising a concern" processes, and arrangements for special investigations; and

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- the Audit and Risk Assurance Committee will also periodically review its own effectiveness and report the results of that review to the Board.

Committee Meetings:

The committee meets at least four times per annum as per best practice guidelines. The Committee agenda was drawn from the Terms of Reference and annual work programme and included any current issues that arose.

In 2024-25, there were 5 meetings of the Audit and Risk Assurance Committee. The attendance of members at meetings was as follows:

Name of Attendee	Record of Attendance
Dermot O'Hara (Chair) <i>(resigned 10 December 2024)</i>	3
Sarah Wakfer – (Vice-Chair)*	5
Raymond Donnelly	4
Ray Havlin	5
Ellen Finlay <i>(appointed 01 December 2024)</i>	2
Michele Corkey <i>(appointed 10 January 2025)</i>	1
CEO**	4
Head of Finance**	5
NIAO**	5
External Auditors**	4
Internal Auditors**	4
Sponsor branch**	4

**Appointed as Chair from 10 December 2024 upon Dermot O'Hara's resignation*

***These individuals were attendees but not Committee members.*

Pension Trustees:

1: Defined Benefit Scheme

Although USEL's Defined Benefit Pension Scheme was closed on 31 December 2022 and all members transferred to a Defined Contribution Scheme from 1 January 2023, the Trustee Board remains in place to monitor the Scheme's funding, administration and investments, keep up to date with pension legislation and make decisions that affect the future of the Scheme and its members.

The Trustee Board comprises five members, two elected from Scheme members and two appointed by the Company. From 1 August 2019, an independent Trustee was appointed as the Chair of the Pension Trustee Board. The Trustees meet on at least three occasions per annum with other ad-hoc meetings as required.

2: Defined Contribution Scheme

The Company selected NOW Pensions as the provider of choice for this new auto-enrolment vehicle. It is governed externally and because it is proprietary in nature it does not require an internal pension trustee group to be established.

Board Effectiveness:

The Chair of the Board completed a performance review for each Board member. The performance of the Chair was reviewed by a Senior Civil Servant in the Department for Communities.

The Company Secretary in office during the year, provides secretariat support to the Board and ensures the company complies with financial and legal requirements. It is the responsibility of the Company Secretary to ensure an appropriate agenda and supporting papers are circulated to the Board in a timely manner; that Board decisions are recorded accurately, and action points are followed up; to challenge the quality of, and information in, the Board papers.

At the start of each Board meeting, the Chair requires all Board members to declare all conflicts, perceived or actual. This is a standard item on the agenda of the meeting. There were no conflicts of interest, perceived or actual, declared by Board members or the SMT during 2024/25 beyond those already recorded for 2023/24 (pension benefit re-design and honorariums).

Internal Audit:

I would like to thank PGM who have carried out our internal audit function with due diligence, probity and objectivity.

The Chief Executive, Head of Finance, Chair and Vice Chair of the ARAC met the internal auditor during the reporting year and agreed a schedule of work for the year. This was ratified by the Audit and Risk Assurance Committee and the schedule was approved. The internal audit plan for 2024-25 covered a review of procurement processes and a year end review of open issues.

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The internal audit programme for this year included:

Area Reviewed	Overall Assurance Rating	Total Recommendations
1. Procurement Processes – December 2024		
Review of the effectiveness of USEL procurement processes	Satisfactory	2 x Priority 2 3 x Priority 3 2 x Added Value
Business Cases	Satisfactory	Recommendation to close
Delegated Authority Limits	Satisfactory	Recommendation to close
Recruitment of Deputy Procurement Officer	Satisfactory	Recommendation to close
Monitoring	N/A	Issue to remain open
Risk Register	Satisfactory	Recommendation to close
2. Review of Open Audit Issues		
Procurement Policy	Satisfactory	Recommendation to close
Cyber – Cyber Essentials Plus	Satisfactory	Recommendation to close
Cyber – Staff Internet Access	Satisfactory	Recommendation to close
Microsoft Dynamics- Risk Assessment – Data Protection and Fraud	n/a	Issue to remain open

The key findings from this review were:

- Internal Audit reviewed 9 open issues and was satisfied the action plans had been implemented for 7 issues and recommended closure. The action plans for the remaining 2 issues were ongoing and recommended these remain open.
- Internal Audit identified that steps had been taken to address the issue of Monitoring in relation to Procurement processes, however noted that there was still some work to be done on USEL's part before the issue could be fully closed.

The overall audit opinion for 2024-25 was Satisfactory Assurance over the system of internal control within USEL.

Risk Management:

While the risk register is formally reviewed prior to the Audit and Risk Assurance Committee meetings, with any revisions made following discussions at that meeting, the register is also reviewed and if necessary updated at each Board meeting. The Senior Management Team identify risks at each monthly meeting, where appropriate these risks are either subsumed into

the main risk register or established as a separate line entry on the register for deeper discussion and management action.

Through this process the Board and Audit and Risk Assurance Committee have agreed a low to medium risk appetite overall for the organisation. That said, due to the commercial nature of the Company there are times when the risk appetite for a specific element is higher as commercial risk is a day-to-day feature of this entity. The Board are content that such risks are mitigated as much as possible and well managed on a day to day and longer-term basis.

There are a number of key risks which an organisation with NDPB status which operates commercially will face. During 2024–25, the Board and Senior Management Team have continued to monitor and manage risks proactively. The most significant current and emerging risks include:

- **Funding and income diversification** – Ongoing uncertainty around future UK Shared Prosperity Fund (UKSPF) allocations and public funding settlements presents financial sustainability risks. Mitigation includes active engagement with the Department for Communities, pursuit of alternative funding sources, and growth in commercial income streams.
- **Succession planning, recruitment, and retention** – The competitive labour market continues to challenge the recruitment and retention of skilled staff. The Board has implemented workforce planning, pay benchmarking, leadership development, and flexible working initiatives to address these risks.
- **Operational cost pressures** – Rising energy prices, inflationary wage settlements, and increasing compliance requirements continue to exert pressure on budgets. Scenario planning, contract renegotiation, and tight cost controls have been adopted to maintain financial discipline.
- **VAT compliance and financial governance** – Historical VAT issues and previous regularity opinion qualifications have highlighted the importance of robust financial controls. A dedicated procurement resource, enhanced business case processes, and external VAT expertise have been introduced to strengthen governance.
- **2025-26 Budgetary Pressures** - The organisation faces significant cost pressures linked to real living wage uplifts, inflation, and pension deficit recovery obligations, all of which contribute to a projected financial gap for 2025–26. Mitigation includes prioritisation of expenditure, strengthened forecasting, and early engagement with DfC on affordability and long-term funding stability.
- **Financial management and internal control** – The need for strong financial oversight remains critical to ensure accurate forecasting, cashflow management, and avoidance of irregular spend. Continued enhancement of management accounts, improved internal controls, and more frequent financial reporting provide strengthened assurance.
- **Procurement governance and compliance** – As a public body operating commercially, USEL must comply with CPD policy, PPNs, DAC controls, and the Procurement Act 2023. Strengthened procurement processes, clearer documentation, and increased central oversight reduce the risk of non-compliance or challenge.
- **Employment and skills programme risks** – Ongoing policy changes and funding uncertainties in programmes such as Workable NI and Skills for Life & Work create operational and financial risks. Engagement with DfC and DfE, active scenario planning, and monitoring of contract performance form the core mitigations.
- **Employer covenant and pension solvency** – Long-term pension liabilities remain a key strategic risk, linked to funding volatility and actuarial movements. Regular engagement with actuaries, monitoring of covenant strength, and forward planning through the ARAC and Board provide assurance.

- **Infrastructure and asset management** – While previous structural risks at the Cambrai Street site have been addressed, ongoing asset monitoring, health and safety inspections, and preventative maintenance programmes remain in place to manage any future risks around the main building.
- **HR policy and employee relations** – The organisation continues to monitor risks related to HR policy compliance, employment law, and staff relations. Updated policies, clearer management guidance, and improved internal communication support the mitigation of these issues.
- **Regulatory, legal, and governance compliance** – Ongoing monitoring of data protection, whistleblowing, and public sector governance requirements remains a priority to safeguard reputation and ensure compliance with legislative and audit obligations.

The Board remains assured that appropriate controls, mitigation strategies, and oversight mechanisms are in place to manage these risks effectively and maintain organisational resilience."

We consider there are sufficient mitigating controls in place to reduce the risks identified. Each risk has a management plan and to date these plans have successfully navigated the Company through the economic landscape in which we operate.

We use other areas of input to provide the Audit and Risk Assurance Committee, the Board, the Department and the Accounting Officer of our sponsoring department with assurances.

These include but are not limited to:

- ISO 9001-2015 Quality Management system six-monthly external audit;
- ISO 14001 Environmental Management system six-monthly external audit;
- BS5713 Confidential Shredding;
- Internal Audit findings and recommendations;
- Dear Accounting Officer / Dear Finance Officer letters and guidance from the Department;
- External auditor reports for programmes delivered on behalf of the Department for Communities;
- External auditor reports for European Social Fund funded programmes;
- Audits from ESF match funders;
- External reviews of the Company's Health and Safety and Fire risk;
- External reviews and assessments of our insurance risks by insurance assessors;
- Participation in the National Fraud Initiative;
- ALB review process, including the Triennial Governance review and ongoing Tailored Review;
- Education and Training Inspectorate report.

Capacity to Handle Risk:

The Audit and Risk Assurance Committee met five times in the year and the risk register was formally presented following an update. The register is also reviewed and if necessary updated at each Board meeting. The Senior Management Team identify risks at each monthly meeting, where appropriate these risks are either subsumed into the main risk register or established as a separate line entry on the register for deeper discussion and management action. On that basis, as Accounting Officer, I receive a high degree of comfort that from Board through to managers, that each individual with delegated authority is operating from a frame of reference which permits the risk management of the organisation to be handled appropriately.

The Company's values are based in the provision of paid, supported employment for people with disabilities or health conditions in Northern Ireland. The Company operates on strict commercial business lines with each manager held fully responsible for achieving his/her budget and targets. A key performance indicator system is utilised to ensure budgetary control and targets are delivered. Key performance indicators include the number of mattresses collected for recycling and the number of participants on programmes etc which are tracked against targets, agreed at the start of the financial year.

The Director with responsibility for USEL within DfC, liaises with the USEL Chairman. The Sponsoring Branch hold quarterly accountability meetings with the Chairman, the Chief Executive and the Head of Finance.

The Senior Management Team communicate with the branch on a regular basis from operational matters to corporate matters, usually by e-mail or telephone contact. Other ad-hoc meetings are arranged as and when required.

The systems utilised by USEL have a proven track record to identify, quantify, action and report on risk identified. The Company operates a system where a person has ultimate responsibility and accountability for managing the individual risk.

Fraud Awareness:

The Senior Management Team is tasked with reporting any frauds or suspected frauds to the Board and Audit and Risk Assurance Committee and I can confirm that there was one incident during the 2024-25 financial year, (2023-24: one). This incident was deemed to be a matter of suspected fraud and involved a £100 cash shortfall in a bank lodgement, which was subsequently located. An investigation of existing controls around cash handling was conducted by HR who concluded that a verbal warning for the staff member involved was required. All reporting procedures to the Department were followed in a timely manner.

Whistleblowing/ Raising Concerns:

USEL has a whistleblowing (Raising Concerns) policy, reviewed annually by the ARAC. One instance of whistleblowing took place during 2024-25 which is pending legal advice (2023-24: one).

Personnel Matters

The appointment of a permanent Head of Finance in November 2024 has provided the organisation with the expertise needed to stabilise and improve financial management processes. Under the leadership of the new Head of Finance, a programme of financial control improvements has been implemented, including:

- Monthly financial governance reviews with the Senior Management Team and Board.
- A revised Scheme of Delegation and approval matrix to strengthen accountability.
- Updated finance procedures covering procurement, income recognition, and VAT compliance.

These measures have materially improved financial discipline and provided greater assurance to both the Board and the Accounting Officer.

Charitable Status

USEL continues to await assessment by the Charities Commission for Northern Ireland (CCNI) regarding its application for full charitable status. While the organisation remains on the “deemed list,” Charities SORP reporting has now been fully adopted in the 2024/25 Annual Report and Accounts, ensuring compliance with best practice standards and preparing the organisation for formal registration once approved.

Forward Outlook

With strengthened procurement controls, a permanent finance leadership team in place, and VAT issues being resolved, USEL has addressed the root causes of previous qualifications and is committed to ensuring that:

- All expenditure complies with MPMNI and is fully evidenced.
- Financial governance continues to meet the highest standards of public accountability.
- Risks identified by auditors are mitigated promptly and effectively.

The Board and Accounting Officer are confident that the governance, procurement, and financial control environment implemented in 2024/25 provides a strong foundation for the removal of audit qualifications in future years.

Compliance with the Code of Conduct

The Corporate Governance in Central Government Departments: Code of Good Practice (NI) has been complied with.

Qualification of Prior Year Annual Report and Accounts

Regularity of Spend

The legacy governance and procurement issues that first resulted in a qualified regularity opinion in 2022/23 have continued to impact subsequent financial years. However, during 2024/25, USEL has made substantial progress in strengthening its governance framework, embedding controls, and implementing the recommendations made by auditors, the Board, and external advisers.

Following the appointment of a dedicated Procurement resource in late 2023, procurement processes have now been brought into line with Managing Public Money NI (MPMNI) requirements. The Contracts Register introduced in 2023/24 is now operational, ensuring that all procurement activities are properly approved, evidenced, and linked to funding contracts.

During 2024/25, all managers with budgetary responsibility have received mandatory training on business case preparation, approvals, and governance requirements. This training, delivered jointly by Finance and the Procurement Manager, has ensured consistent application of standards across the organisation.

As a result of these measures, all new expenditure in 2024/25 has been approved in line with governance requirements, and no new breaches of MPMNI have been identified in-year. The remaining qualification in the 2024/25 accounts therefore reflects *historic* issues rather than current practice.

VAT Reconciliation differences

During the course of the 2023-24 audit, USEL identified a number of reconciliation differences between VAT balances per the trial balance in the Microsoft Dynamics Business Central accounting system and the VAT returns which had been completed and submitted to HMRC, also via the accounting system. Due to the timing of this discovery, USEL was not able to provide sufficient evidence to determine whether the VAT liabilities for 2023-24 and prior periods were correctly stated and therefore the accounts were qualified in this regard.

Following the conclusion of the 2023-24 audit in June 2025, USEL engaged with their software supplier to conduct a review of the VAT balances and carried out some additional reconciliation work. In September 2025 however it was established that additional expertise was needed and the decision was made to engage external forensic accountants and VAT specialists to conduct a full review of all of the VAT records including opening balances from the move to the Microsoft Dynamics Business Central accounting system (in 2022). Unfortunately, due to the time required to adhere to procurement regulations and obtain the necessary approvals to engage external consultants this work had not yet started by the time the 2024-25 audit fieldwork was finished and the issue remains outstanding. It is expected that the review will be carried out and the issue resolved in time for the 2025-26 year end and that all relevant evidence will be able to be provided during the 2025-26 audit.

Conclusion

As Accounting Officer, my review of the effectiveness of the system of internal control is informed by the work of the internal auditors, the Senior Management Team 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 and Risk Assurance Committee address weaknesses and ensure continuous improvement of the system in place and advise me on the implications of the results of reviews of the effectiveness of the system of internal control.

The full engagement of the Audit and Risk Assurance Committee and Directors in all matters through the open and transparent nature of information passage to the Board and the sponsoring branch allows me to denote the effectiveness of our governance arrangements. Compliance with our published codes of practice and guides on the Board and Audit and Risk Assurance Committee was achieved, which permits me the opportunity to present and endorse this governance statement.

REMUNERATION AND STAFF REPORT

Remuneration Policy

The Non-Executive Directors hold appointments which last for four years, and the Minister for the Department for Communities has the option of re-appointing for a further three years after consideration of a performance assessment. The Chief Executive is appointed by the Board of Directors and holds an open-ended contract. The remuneration of the Directors is directed by the Department for Communities. The remuneration of the Chief Executive is agreed by the Chairman of the Board, in consultation with the Department of Finance. All other remunerations are decided by the Chief Executive. The overall annual pay remit is approved by the Department for Communities. In 2024-25 approval was received in November 2024 for a 5% consolidated pay increase applicable from 1 April 2024, together with a one off non-consolidated payment of £1,500 to eligible employees (pro-rata).

Board member remuneration is dependent on the number of hours attending, or preparing for, meetings.

Remuneration of Board Members (Audited Information)

	2024-25				2023-24			
	Salary	Benefit	Pension	Total	Salary	Benefit	Pension	Total
	£'000	in kind	Benefit	£'000	£'000	in kind	Benefit	£'000
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
D O'Hara (resigned 10 December 2024)	0-5	-	-	0-5	0-5	-	-	0-5
R Donnelly	0-5	-	-	0-5	5-10	-	-	5-10
W Leathem (Chair)	15-20	-	-	15-20	15-20	-	-	15-20
R Havlin	0-5	-	-	0-5	0-5	-	-	0-5
S Wakfer	0-5	-	-	0-5	0-5	-	-	0-5
D Duffy ¹	-	-	-	-	-	-	-	-
E Finaly (from 1 December 2024)	0-5	-	-	0-5	-	-	-	-
M Corkey (from 1 January 2025)	0-5	-	-	0-5	-	-	-	-

¹ Damian Duffy is employed by a separate NDPB and therefore receives no remuneration from USEL.

ANNUAL REPORT & ACCOUNTS 2024-25
ACCOUNTABILITY REPORT

Remuneration of Senior Management Team (Audited Information)

	2024-25				2023-24			
	Salary £'000	Benefit in kind £'000	Pension Benefit £'000	Total £'000	Salary £'000	Benefit in kind £'000	Pension Benefit £'000	Total £'000
S Jackson (Interim CEO from 15 January 2024)	70-75	-	0-5	75-80	10-15 (60-65 full year equivalent)	-	0-5 (0-5 full year equivalent)	10-15 (60-65 full year equivalent)
D Cowan (Head of Employment Services)*	60-65	-	0-5	60-65	55-60	-	0-5	60-65
S Jackson (Head of Operations to 14 January 2024)*	-	-	-	-	45-50 (55-60 full year equivalent)	-	0-5	50-55 (60-65 full year equivalent)
N Donnelly (Interim Head of Operations from 22 January 2024)	55-60	-	0-5	55-60	10-15 (50-55 full year equivalent)	-	(0-5 full year equivalent)	10-15 (50-55 full year equivalent)
J Davey (Acting Head of Finance from 28 February 2024 – 5 May 2024 and 25 July 2024 – 8 November 2024)	20-25 (55-60 full year equivalent)	-	0-5 (0-5 full year equivalent)	20-25 (55-60 full year equivalent)	10-15 (50-55 full year equivalent)	-	0-5 (0-5 full year equivalent)	10-15 (50-55 full year equivalent)
R Clements (Head of Finance 6 May 2024 – 24 July 2024)	0-5 (55-60 full year equivalent)	-	0-5 (0-5 full year equivalent)	0-5 (55-60 full year equivalent)	-	-	-	-
R McCarthy (Head of Finance from 11 November 2024)	20-25 (55-60 full year equivalent)	-	0-5 (0-5 full year equivalent)	20-25 (55-60 full year equivalent)	-	-	-	-

**During 2023-24 both D Cowan and S Jackson's salaries were increased to reflect a period of Acting up as CEO alongside their respective roles as Head of Employment Services and Head of Operations*

"Salary" includes gross salary; there were no bonuses paid. It does not include employer pension contributions and the cash equivalent transfer value of pensions. The full costs of all employees are included in the staff report. This report is based on accrued payments made by USEL and thus recorded in these accounts.

Fair Pay Disclosures (Audited Information)

Pay Ratios

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce.

The banded remuneration of the highest-paid director in USEL as at 31 March 2025 was £70,000-£75,000 (2023-24, £60,000 - £65,000). The relationship between the mid-point of this band and the remuneration of the organisation's workforce is disclosed as follows.

2024-25	25th percentile	Median	75th percentile
Total Remuneration (£)	20,456	23,263	26,401
Pay Ratio	3.5:1	3.1:1	2.7:1

2023-24	25th percentile	Median	75th percentile
Total Remuneration (£)	18,360	19,778	21,843
Pay Ratio	3.4:1	3.2:1	2.9:1

For 2024-25 and 2023-24, the 25th percentile, median and 75th percentile remuneration values consisted solely of salary payments.

Explanation for movement in Ratios and Median salary

During 2024–25, there were several changes impacting pay ratios. In November 2024, an increased salary scale for the Chief Executive was implemented, following formal approval by the Remuneration Committee and in line with public sector pay guidance. This has increased the pay ratio of the 25th percentile. The closure of two of the ability café's during 2024-25 has resulted in a decrease in the number of staff at industrial grades, which has decreased the pay ratio of the median and 75th percentiles.

All changes were implemented in accordance with approved governance arrangements and relevant pay frameworks. The movements in ratios reflect one-off organisational changes rather than an ongoing trend, and future years are expected to show greater stability as the workforce structure and pay scales settle.

Range of Remuneration

During the year the remuneration ranged from band £0k - £5k to £70k - £75k (2023-24: £0k - £5k to £75k - £80k).

Percentage Change in Remuneration

Reporting bodies are also required to disclose the percentage change from the previous financial year in the:

- a) salary and allowances, and
- b) performance pay and bonuses

of the highest paid director and of their employees as a whole. The percentage changes in respect of USEL are shown in the following table. It should be noted that the calculation for the highest paid director is based on the mid-point of the band within which their remuneration fell in each year.

Percentage change for:	2024-25 v 2023-24	2023-24 v 2022-23
Average employee salary and allowances	21%	15%
Highest paid director's salary and allowances	16%	(24%)

No performance pay or bonuses were payable in these years.

Pensions (Audited Information)

Following departmental approval of a pension benefit re-design business case and a formal consultation process during 2022, USEL's Defined Benefit Scheme was closed on 31 December 2022 and all members were transferred to the Defined Contribution Scheme from 1 January 2023.

At the latest actuarial valuation date of 5 April 2024 (which was approved on 5 July 2025), the scheme remained in a considerable deficit position and USEL entered into a new deficit recovery plan for the scheme from 5 July 2025 to 5 April 2033.

USEL's current pension scheme which was established to allow the Company to comply with the auto enrolment legislation as of February 2014, is a Defined Contribution Scheme operated externally by the NOW Pensions Scheme. This was approved by the sponsoring department following consultation with the Department of Finance in 2014.

STAFF REPORT

Number of Senior Staff with Annual Salaries Over £60,000

Annual Salary Band	2024-25	2023-24
£60,001 - £65,000	1	1
£65,001 - £70,000	-	-
£70,001 - £75,000	1	-
£75,001 - £80,000	-	1
£80,001 - £85,000	-	-
£85,001 - £90,000	-	-

Staff Numbers and Related Costs (Audited Information)

The staff costs of USEL during 2024-25 was as follows:

	Permanently employed staff	Other	2024-25 Total £	2023-24 Total £
Wages and salaries	6,011,851	483,029	6,494,880	6,414,968
Redundancy payments	16,350	-	16,350	16,327
Social security costs	409,530	26,988	436,518	369,115
Other pension costs	177,037	11,277	188,314	177,429
			7,136,062	6,977,839

The above balance includes £2,641,485 (2023-24: £2,844,069) of staff costs relating to 235 (2023-24: 257) participants on the Employment Support programme as at 31 March 2025.

There were £13,944 agency costs included within Wages and salaries (2023-24 £3,706).

Average Number of Persons Employed (Audited Information)

The table below shows the average number of full-time equivalent persons employed during the year, including directors:

Activity	Permanently employed staff	Other	2024-25 Number Total	2023-24 Number Total
Management and administration	34	0	34	32
Production distribution and sales	51	5	56	63
Employment support	215	13	228	257
	300	18	318	352

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The table below shows USEL staff broken down by gender:

	2024-25 Male	2024-25 Female	Total
Senior civil servants	1	0	1
Senior managers	1	2	3
Employees	192	115	307
Board of Directors:	4	3	7
	198	120	318

	2023-24 Male	2023-24 Female	Total
Senior civil servants	1	0	1
Senior managers	2	1	3
Employees	213	128	341
Board of Directors:	5	2	7
	221	131	352

Reporting of Civil Service and other compensation schemes – Exit packages (Audited Information)

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	1 (-)	1 (2)	2 (2)
£10,000-£25,000	- (-)	- (-)	- (-)
£25,000-£50,000	- (-)	- (-)	- (-)
£50,000-£100,000	- (-)	- (-)	- (-)
£100,000-£150,000	- (-)	- (-)	- (-)
£150,000-£200,000	- (-)	- (-)	- (-)
Total number of exit packages	1 (-)	1 (1)	2 (-)
Total resource cost/£	£8,365 (2023-24: £-)	£7,984 (2023-24: £16,327)	£16,349 (2023-24: £16,327)

There was one departure of USEL staff in 2024-25 from a compulsory redundancy process for an employee on the ES programme. In 2023-24, no members of staff departed following a redundancy process.

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme (Northern Ireland), a statutory scheme made under the Superannuation (Northern Ireland) Order 1972. Exit costs are accounted for in full in the year of departure.

Compensation for Loss of Office (Audited Information)

No compensation for loss of office was paid in 2024-25 (2023-24: £nil).

Off payroll disclosures

USEL did not have any off-payroll disclosures in 2024-25 (2023-24: £nil).

Payments to past Directors (Audited Information)

USEL did not make any payments to past Directors in 2024-25 (2023-24: £nil).

Consultancy costs

USEL made £11,000 consultancy-related payments in 2024-25 (2023-24: £12,000).

Sickness absence

The short-term sickness absence rate for the year was 1.20% (2023-24: 4.93%).

Staff turnover & engagement

The staff turnover percentage for 2024-25 was 13.34% (2023-2024: 17.30%).

The 2024 Staff Survey covered the areas of communication, performance management, development, management, health and safety, diversity and working at USEL. 67.6%% of staff completed the survey. A new scoring mechanism was used from 0-10 with 0 being 'not likely at all' and 10 'extremely likely'. Due to the change in scoring, it can't be comparable like for like on previous year's figures. 91% of the responses scored a 7 or above (In 2023-24 74.2% agreed that they are satisfied working with USEL).

Staff Policies

Employee Policy

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

Diversity and Inclusion

USEL has an equality, diversity and inclusion policy. Staff can make disclosures through our grievance procedures. In 2024-25, there was 1 disclosure made (2023-24: none).

ASSEMBLY ACCOUNTABILITY AND AUDIT REPORT

Losses and Special Payments (Audited Information):

There were no losses in 2024-25 (2023-24: £nil).

Special Payments

	2024-25	2023-24
Total number of special payments	-	1
Total value of special payments	-	£4,000

Fees and Charges (Audited Information)

This note is provided for fees and charges purposes only.

Business Activity	Income £	Cost £	Surplus/ deficit £	Financial Objective
Empower Admin Fee	91,995	91,995	-	To recover costs of services provided to administer and deliver the Empower consortium - achieved
ES Admin Fee	284,489	284,489	-	To recover costs of services provided to administer and deliver the ES programme - achieved
Jobstart Broker Role Fee	17,667	17,667	-	To recover costs of services provided to administer and deliver the Jobstart programme - achieved

Regularity of Spend (Audited Information)

There has been £362,669 of irregular spend in the year which has resulted in a qualification of the 2024-25 accounts (2023-24: £1,160,292). Further detail in relation to this can be found in the Report of the Auditor and Comptroller General on page 86.



Scott Jackson
Chief Executive and Accounting Officer
Date: 26 November 2025

ULSTER SUPPORTED EMPLOYMENT LIMITED

**THE CERTIFICATE OF THE COMPTROLLER AND AUDITOR GENERAL TO THE
NORTHERN IRELAND ASSEMBLY**

Qualified opinion on financial statements

I certify that I have audited the financial statements of the Ulster Supported Employment Limited for the year ended 31 March 2025 under the Companies (Public Sector Audit) Order (Northern Ireland) 2013. The financial statements comprise: the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows; and the related notes, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the Ulster Supported Employment Limited financial statements is applicable law and the United Kingdom accounting standards including FRS 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion, except for the possible effects of the matter described in the Basis for qualified opinions section below, the financial statements:

- give a true and fair view of the state of the Ulster Supported Employment Limited's affairs as at 31 March 2025 and of its net income for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

Qualified opinion on regularity

In my opinion, except for the effects of the matters described in the Basis for qualified opinions section below, in all material respects the expenditure and income recorded in the financial statements have been applied for the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for qualified opinions

The Ulster Supported Employment Limited was unable to provide sufficient evidence to enable me to conclude that the Value Added Tax liabilities reported as of 31 March 2025 and 31 March 2024 were correctly stated. There were no alternative audit procedures that I could perform to provide me with assurance over the accuracy and valuation of these balances. Consequently, the scope of my audit was therefore limited in this respect, and I was unable to determine whether any adjustment to the VAT balances was necessary.

Significant weaknesses in procurement practices in the Ulster Supported Employment Limited were identified in 2023 as a result of whistle-blower allegations. It was identified that significant exceptions had arisen with the application of internal controls over procurement, with the Ulster Supported Employment Limited not preparing business cases and seeking required approvals from the Department for Communities before expenditure was incurred.

During 2024-25, the Ulster Supported Employment Limited incurred £0.36 million of other operating expenditure which did not have the required Department for Communities' approvals. This expenditure is irregular as the transactions do not conform to the authorities which govern them and I have qualified my regularity opinion on this basis.

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 'Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this certificate.

My staff and I are independent of the Ulster Supported Employment Limited in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my qualified opinions.

Conclusions relating to going concern

In auditing the financial statements, I have concluded Ulster Supported Employment Limited's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Ulster Supported Employment Limited's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

The going concern basis of accounting for the Ulster Supported Employment Limited is adopted in consideration of the requirements set out in the Government Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

My responsibilities and the responsibilities of the Board and the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

Other Information

The other information comprises the information included in the Annual Report other than the financial statements, the parts of the Accountability Report described in that report as having been audited, and my audit certificate. The Board and the Accounting Officer are responsible for the other information included in the Annual Report. My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my report I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with the Government Financial Reporting Manual;
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Performance Report and Accountability Report have been prepared in accordance with applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Ulster Supported Employment Limited and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and Accountability Report. I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records; or
- certain disclosures of remuneration specified by law are not made; or
- the Governance Statement does not reflect compliance with the Department of Finance's guidance.

Except for the lack of sufficient appropriate audit evidence, which has led to the qualified audit opinion on financial statements detailed above, I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- I have not received all of the information and explanations I require for my audit.

Responsibilities of the Board and Accounting Officer for the financial statements

As explained more fully in the Statement of the Board and Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- preparing the Annual Report, which includes the Remuneration and Staff Report, in accordance with the Companies Act 2006;
- the preparation of the financial statements in accordance with the Companies Act 2006 and for being satisfied that they give a true and fair view;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error; and
- assessing the Ulster Supported Employment Limited's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Ulster Supported Employment Limited will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to examine, certify and report on the financial statements in accordance with the Companies (Public Sector Audit) Order (Northern Ireland) 2013.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to Ulster Supported Employment Limited through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included governing legislation, Companies Act 2006 and any other relevant laws and regulations identified;
- making enquires of management and those charged with governance on the Ulster Supported Employment Limited's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of the Ulster Supported Employment Limited's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, expenditure recognition, posting of unusual journals, and business transaction streams that may be susceptible to material misstatement due to fraud;
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- documenting and evaluating the design and implementation of internal controls in place to mitigate risk of material misstatement due to fraud and non-compliance with laws and regulations;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate and making enquiries to the Ulster Supported Employment Limited and relevant third parties; and
- addressing the risk of fraud as a result of management override of controls by:

- performing analytical procedures to identify unusual or unexpected relationships or movements;
- testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
- assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
- investigating significant or unusual transactions made outside of the normal course of business.

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

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

My report on the matters subject to qualification is attached to these financial statements.



Dorinnia Carville
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
BELFAST
BT7 1EU

12 December 2025

ANNUAL REPORT & ACCOUNTS 2024-25
FINANCIAL STATEMENTS

**Statement of Financial Activities
for the year ended 31 March 2025**

		Unrestricted Funds	Restricted Funds	Total 2024-25	Total 2023- 24 (Restated)
		£	£	£	£
Income & Endowments from:	Note				
Donations & legacies	2	1,295,126	-	1,295,126	1,004,007
Other trading activities	2	1,878,671	-	1,878,671	2,176,820
Contract Income	2	2,779,600	5,120,624	7,900,224	7,507,206
Investments	2	71,842	-	71,842	86,067
Other operating income	2	-	105,877	105,877	99,349
Total Income		6,025,239	5,226,501	11,251,740	10,873,449
Expenditure on:					
Trading Activities	3.1	(3,466,693)	4	(3,466,689)	(3,884,974)
Contract Income Activities	3.2	(2,139,728)	(5,226,505)	(7,366,233)	(6,587,372)
Exceptional Expenditure	4	(17,465)	-	(17,465)	(66,281)
Total Expenditure		(5,623,886)	(5,226,501)	(10,850,387)	(10,538,627)
Net income/ (expenditure) after tax before investment gains/ (losses)		401,353	-	401,353	334,822
Net gains/ (losses) on investments	5	(329,000)	-	(329,000)	(127,000)
Net Income/ (Expenditure)		72,353	-	72,353	207,822
Other recognised gains/ (losses):					
Actuarial gain / (loss) on pension scheme	19	(2,842,000)	-	(2,842,000)	(103,004)
Net gain / (loss) on revaluation of Property Plant and Equipment	8	343,802	-	343,802	33,800
Net Movement in Funds		(2,425,845)	-	(2,425,845)	138,618
Reconciliation of Funds					
Total Funds Brought Forward		3,275,555	-	3,275,555	3,136,937
Total Funds Carried Forward		849,710	-	849,710	3,275,555

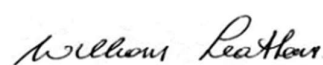
ANNUAL REPORT & ACCOUNTS 2024-25
FINANCIAL STATEMENTS

Balance Sheet
as at 31 March 2025

	Note	2024-25 £	2023-24 £
Fixed assets:			
Tangible Assets	8	2,293,696	2,038,077
Intangible assets	9	907	1,901
Total Fixed assets		2,294,603	2,039,978
Current assets:			
Stocks	10	54,229	71,161
Debtors	11	897,834	1,324,117
Cash at bank and in hand	12	1,996,908	1,516,283
Total current assets		2,948,971	2,911,561
Liabilities:			
Creditors: amounts falling due within one year	13	(1,557,346)	(1,582,888)
Net current assets		1,391,625	1,328,673
Total assets less current liabilities		3,686,228	3,368,651
Creditors: amounts falling due after one year	19	(2,670,999)	-
Provisions for liabilities	14	(165,519)	(93,096)
Total net assets		849,710	3,275,555
Funds of the Charity	23		
Unrestricted funds		(133,435)	2,636,212
Restricted funds		-	-
Revaluation reserve		983,145	639,343
Total equity		849,710	3,275,555

In the view of the Board an exemption from the audit requirements of Part 16 of the Companies Act 2006 is available under section 482 of that Act, since the Company meets the Department of Finance's definition of a non-profit-making Company and is subject to a public sector audit under the Companies (Public Sector Audit) Order (Northern Ireland) 2013, being an order issued under Article 5(3) of the Audit and Accountability (Northern Ireland) Order 2003. The Board therefore claims this exemption.

The financial statements on pages 56 to 58 were approved by the Board on 26 November 2025 and were signed on its behalf by:



W Leatham **Date 26 November 2025**
Chairman



S Jackson **Date 26 November 2025**
Accounting Officer

Registration No. NI 005192

The notes on pages 59 to 81 form part of these financial statements.

Statement of Cash Flows
for the year ended 31 March 2025

	Note	2024-25 £	2023-24 £
Cash flows from operating activities			
Net Income/(Expenditure)		72,355	207,821
<i>Adjustments for non cash transactions</i>			
Depreciation and amortisation	8/9	89,177	93,832
Pension interest and administration expenses		329,000	127,000
Loss on disposal of property, plant and equipment		-	-
Difference between pension charge and cash contributions		(500,003)	(500,003)
(Increase) / decrease in Stocks	10	16,933	(16,430)
(Increase) / decrease in Debtors	11	426,282	(241,654)
Increase / (decrease) in Creditors	13	(25,541)	329,416
Increase / (decrease) in Provisions	14	72,422	57,221
Net cash inflows from operating activities		480,625	57,203
Cash flows from investing activities			
Purchase of Tangible Assets	8	-	(76,350)
Adjustment to opening Tangible Assets		-	-
Purchase of Intangible Assets	9	-	-
Purchase of Investment Property		-	-
Proceeds of disposal of Tangible Assets		-	-
Net cash outflows from investing activities		-	(76,350)
Cash flows from financing activities			
Grant from sponsoring department		-	-
Net cash inflows from financing activities		-	-
Net increase (decrease) in cash and cash equivalents in the period	12	480,625	(19,147)
Cash and cash equivalents at the beginning of the period		1,516,283	1,535,430
Cash and cash equivalents at the end of the period	12	1,996,908	1,516,283

Notes to the financial statements for the year ended 31 March 2025

1 Statement of Accounting Policies

Ulster Supported Employment Limited (“USEL” or “the Company”) is a Company limited by guarantee, domiciled and registered in Northern Ireland. The registered number is NI005192, and the registered address is 182-188 Cambrai Street, Belfast, BT13 3JH.

These financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements also meet the disclosure requirements of the Government Financial Reporting Manual (FrM) and those issued by the Department of Finance in so far as those requirements are appropriate.

Financial figures reported in these financial statements are in pounds sterling except for note 19 which are in thousand pounds sterling.

1.1 Newly adopted standards

USEL has reviewed the standards, interpretations and amendments to published standards that became effective during 2024-25 and which are relevant to its operations. These have not had a significant impact on the Company’s financial position or results.

1.2 Measurement convention

These financial statements have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets and donated assets. Retirement Benefit Obligations are stated at fair value.

1.3 Going concern

These financial statements have been prepared on the going concern basis. The Department considers it reasonable for USEL to assume that Grant-in-Aid funding will continue to be provided, as necessary, to allow USEL to discharge its liabilities as they fall due in the normal course of business. Management have prepared cashflow forecasts, incorporating the above assumptions and reflecting their best estimate of trading activity, which support USEL’s ability to continue as a going concern. Management do not consider these matters to cast significant doubt upon the entity’s ability to continue as a going concern.

1.4 Tangible assets

Tangible assets are stated at net current replacement cost less accumulated depreciation and accumulated impairment losses, with the exception of land and buildings which are stated at fair value.

Where parts of a tangible asset have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is charged to the Statement of Financial Activities (SoFA) on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives are as follows:

Buildings	-	50 years
Plant and office equipment	-	10 years
Fixtures and Fittings	-	10 years
Motor vehicles	-	4 to 15 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

Non-Current Assets are capitalised if they are capable of being used for a period which exceeds one year, and they individually cost at least £1,000. USEL do not capitalise the criteria of a grouped asset i.e. collectively have a cost of at least £1,000 and are functionally interdependent.

Buildings are stated at open market value and other non-current assets are stated at net current replacement cost.

Land and buildings are revalued by qualified valuers on a regular basis using open market value (which reflects a highest and best use basis) so that the carrying value of an asset does not materially differ from its fair value at the reporting date. External revaluations of the Company's land and buildings have been carried out in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation Standards and FRS 102.

Surpluses on revaluation are recognised in the SoFA and accumulated in equity in the revaluation reserve, except to the extent that they reverse impairment losses previously charged to profit or loss, in which case the reversal is recorded in profit or loss. Decreases in value are charged against SoFA and the revaluation reserve to the extent that a previous gain has been recorded there and thereafter are charged through profit or loss.

1.5 Donated assets

Donated fixed assets are capitalised at their fair value on receipt and this value is credited to the SoFA.

Donated fixed assets are valued and depreciated in line with property, plant and equipment. Gains and losses on revaluations are also taken to the SoFA and, each year, an amount equal to the depreciation charge on the asset is released from the donated asset charged to the SoFA. Any impairment on donated assets is charged to the SoFA.

1.6 Intangible assets

Intangible assets comprise software licenses which are stated at net current replacement cost. Intangible assets are amortised on a straight-line basis over 5 years.

1.7 Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of manufactured stocks and work in progress, cost comprises direct materials, direct labour and, if appropriate, direct overheads.

1.8 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than investment property and inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the SoFA. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.9 Financial instruments

USEL does not hold any complex financial instruments.

(i) Recognition and initial measurement

Debtors are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a debtor without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A debtor without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Financial assets

(a) Classification

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) – equity investment or debt investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL.

Cash at bank and in hand

Cash at bank and in hand comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash at bank and in hand for the purpose only of the cash flow statement.

(b) Subsequent measurement and gains and losses

Financial assets at FVTPL - these assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost - these assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) Impairment

The Company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, debt investments measured at FVOCI and contract assets (as defined in FRS 102).

The Company measures loss allowances at an amount equal to lifetime ECL, except for other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition which are measured as 12-month ECL. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Write-offs

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

1.10 Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary. When calculations result in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in the SoFA.

When the benefits of the plan are changed or when the plan is curtailed, the resulting change in benefit that relates to past services or the gain or loss on curtailment is recognised in profit or loss. The Company recognises gains or losses on the settlement of a defined benefit plan when the settlement occurs.

1.11 Recognition of income

Incoming Resources

Incoming resources relates to the operating activities of USEL, the sale of goods, provision of services, Grant-in-Aid income from DfC and other funding income received from formally tendered contractual arrangements. All income is recognised in the period in which goods are sold or services provided.

Income and expenditure excludes VAT, as all VAT collected is payable to HM Revenue and Customs and VAT paid is recoverable from them subject to partial exemption rules.

Grant-in-Aid

Grant-in-aid from DfC is shown in the Statement of Financial Activities in the year in which it is receivable. Undrawn grant-in-aid is not available to be carried forward from one year to the next.

Other Government Grants

Other government grant income is recognised as and when the conditions for its receipt have been met.

1.12 Reserves

Fund accounting

USEL receives various types of funding which require separate disclosure. These are as follows:

- Unrestricted funds: funds which may be expended at the discretion of management in furtherance of the objectives of USEL; and
- Restricted funds: funds which are earmarked for specific purposes.

USEL forecasts to operate on an annual basis within a balanced funding formula of grant-in-aid and self-generated income. Annual operating surpluses (or deficits) are kept to a minimum and transferred to the Unrestricted General Fund at 31 March each year.

The Unrestricted General Fund represents the accumulated financial position of USEL.

The Revaluation Reserve reflects the unrealised element of the cumulative balance of indexation and revaluation adjustments to PPE and intangible assets.

1.13 Taxation status

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

1.14 Critical accounting estimates

The preparation of financial statements in conformity with FRS 102 requires the use of accounting estimates and assumptions, which often requires judgements to be made by management when formulating the Company's financial position and results. Under FRS 102, the Directors are required to adopt those accounting policies most appropriate to the Company's circumstances for the purpose of presenting fairly the Company's financial position, financial performance and cash flows.

In determining and applying accounting policies, judgement is often required in respect of items where the choice of specific policy, accounting estimate or assumption to be followed could materially affect the reported results or net asset position of the Company should it later be determined that a different choice would be more appropriate.

Management considers the accounting estimate and assumptions discussed below to be its critical accounting estimates and, accordingly, provides an explanation. Management has discussed its critical accounting estimates and associated disclosures with the Company's Audit and Risk Assurance Committee.

Pension liability: The Company has a commitment to pay pension benefits to approximately 404 people. The cost of these benefits and the present value of pension liabilities depend on such factors as the life expectancy of the members, the salary progression of current employees, the return that the pension fund assets will generate in the time before they are used to fund the pension payments, price inflation and the discount rate used to calculate the net present value of the future pension payments. We use estimates provided by independent experts for all of these factors in determining the pension costs and liabilities incorporated in our financial statements. The assumptions reflect historical experience and judgement regarding future expectations.

The value of the net pension obligation at 31 March 2025 and the key financial assumptions used to measure the obligation are disclosed in note 19.

1.15 Liabilities and Provisions

Liabilities and provisions are recognised as resources expended as soon as there is a legal or constructive obligation committing the Company to expenditure.

1.16 Standards issued but not yet applied

Management consider that there are no standards issued but not yet adopted that are likely to have significant impact on these financial statements.

1.17 Restatement of Prior Year Income and Expenditure

Prior Year income and expenditure have been restated due to reclassification by activity under Charity SORP reporting with all income relating to Employment Services contracts now classified as contract income.

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2. Income

	Unrestricted Funds £	Restricted Funds £	2024-25 £	2023-24 (restated) £
Donations & legacies:				
GIA income	1,295,001	-	1,295,001	1,004,007
Donation	125	-	125	-
Other trading activities	1,878,671	-	1,878,671	2,176,820
Contract income	2,779,600	5,120,624	7,900,224	7,507,206
Investments: Bank interest	71,842	-	71,842	86,067
Other operating income:				
ES income (Host Pension Deficit Cont.)	-	105,877	105,877	99,349
	6,025,239	5,226,501	11,251,740	10,873,449

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

The Performance Report and Performance Analysis from pages 9 to 24 provide further information on the income generating activities of the company.

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3.1 Expenditure on Trading Activities

	Unrestricted Funds £	Restricted Funds £	2024-25 £	2023-24 (Restated) £
Ability Cafe	287,409	-	287,409	447,562
Motor expenses	103,662	-	103,662	98,959
Delivery costs	2,234	-	2,234	6,358
Discount allowed	(17)	(4)	(21)	(6)
Materials	204,174	-	204,174	170,996
Light, heat and power	59,658	-	59,658	80,311
Telephone	44	-	44	-
Rent and rates	1,976	-	1,976	14,982
Travel	697	-	697	1,134
Equipment	430	-	430	9,479
Waste Disposal	81,302	-	81,302	94,345
Repairs & maintenance	10,678	-	10,678	15,862
Computer Licenses	373	-	373	3,190
Postage	-	-	-	380
Staff costs	1,740,433	-	1,740,433	1,862,229
Subtotal	2,493,053	(4)	2,493,049	2,806,381
Apportioned Support operating costs	487,259	-	487,259	578,957
Apportioned Support Salary costs	486,381	-	486,381	499,636
TOTAL	3,466,693	(4)	3,466,689	3,884,974

3.2 Expenditure on Contract Income Activities

	Unrestricted Funds £	Restricted Funds £	2024-25 £	2023-24 (Restated) £
Empower Partner Costs	-	1,347,142	1,347,142	1,088,146
TFS Programme	92,704	-	92,704	88,520
Tutors	112,489	107,493	219,982	165,024
Participant costs	160,904	73,716	234,620	157,716
General expenses	-	2,248	2,248	13,750
Rent and rates	12,733	-	12,733	14,775
Marketing	-	31,814	31,814	24,735
Travel	34,606	31,266	65,872	65,341
Equipment	93	-	93	10,378
Staff costs	827,454	3,632,826	4,460,280	4,322,534
Subtotal	1,240,983	5,226,505	6,467,488	5,950,919
Apportioned Support operating costs	449,778	-	449,778	343,016
Apportioned Support Salary costs	448,967	-	448,967	293,437
TOTAL	2,139,728	5,226,505	7,366,233	6,587,372

3.3 Apportionment of Support Costs

Support costs have been apportioned on the basis of FTE of employees working between Operations (Trading) and Employment Services (Contract Income) departments as follows:

Trading **52%** (2023-24: 63%)
Contract **48%** (2023-24: 37%)

Support cost	Total cost (£)	Apportionment to Activity 1: Trading (£)	Apportionment to Activity 2: Contract Income (£)
Advertising	10,310	5,361	4,949
Light, heat and power	70,185	36,496	33,689
Audit	34,500	17,940	16,560
Bank charges	33	17	16
Canteen	2,737	1,423	1,314
Cleaning	7,873	4,094	3,779
Computer expenses	13,257	6,894	6,363
Equipment	1,052	547	505
General expenses	16,219	8,434	7,785
Health & Safety Costs	7,879	4,097	3,782
Insurance	252,182	131,135	121,047
Legal and professional fees	280,277	145,744	134,533
Postage	154	80	74
Printing and stationery	7,564	3,933	3,631
Rent and rates	14,037	7,299	6,738
Repairs	78,838	40,996	37,842
Telephone	29,862	15,528	14,334
Training	18,202	9,465	8,737
Travel	1,425	741	684
Waste Disposal	1,190	619	571
Depreciation and Amortisation	89,177	46,372	42,805
Bad debts written off	84	44	40
Staff Salary Support costs	935,348	486,381	448,967
TOTAL	1,872,385	973,640	898,745

4 Exceptional Expenditure

	Unrestricted Funds	Restricted Funds	2024-25	2023-24
	£	£	£	£
VAT Declaration	12,927	-	12,927	49,060
Provision for penalties and interest	4,538	-	4,538	17,221
	17,465	-	17,465	66,281

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5. Net gains/ (losses) on investment

	Unrestricted Funds £	Restricted Funds £	2024-25 £	2023-24 £
Expected return on pension scheme assets	1,014,000	-	1,014,000	988,000
Interest on pension scheme liabilities	(997,000)	-	(997,000)	(992,000)
Interest expense on effect of asset ceiling/ onerous liability	(13,000)	-	(13,000)	-
Total net interest cost	4,000	-	4,000	(4,000)
Administrative expenses	(333,000)	-	(333,000)	(123,000)
Total	(329,000)	-	(329,000)	(127,000)

6. Financial instruments

As some of the cash requirements of USEL are met through Grant-in-aid provided by DfC, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body.

The majority of financial instruments relate to contracts to buy non-financial items in line with USELs expected purchase and usage requirements and USEL is therefore exposed to little credit, liquidity or market risk.

Details of pension liabilities are included within note 19 below.

7. Auditor remuneration

	Unrestricted Funds £	Restricted Funds £	2024-25 £	2023-24 £
Internal Audit	4,500	-	4,500	4,500
External Audit	30,000	-	30,000	33,000
	34,500	-	34,500	37,500

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8. Tangible assets

	Long Leasehold Buildings	Plant and Office Equipment	Fixtures & Fittings	Motor Vehicles	Donated Assets	Total
	£	£	£	£	£	£
Cost or Valuation						
At 1 April 2024	1,690,000	510,355	8,128	186,718	12,300	2,407,501
Opening Adjustment		(91)				(91)
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Revaluation	310,000	-	-	-	-	310,000
Impairments	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
At 31 March 2025	2,000,000	510,264	8,128	186,718	12,300	2,717,410
Depreciation						
At 1 April 2024	-	285,341	340	75,236	8,507	369,424
Opening Adjustment		(91)				(91)
Charged in the year	33,802	39,530	947	12,674	1,230	88,183
Disposals	-	-	-	-	-	-
Revaluation	(33,802)	-	-	-	-	(33,802)
At 31 March 2025	-	324,780	1,287	87,910	9,737	423,714
Net book value						
At 31 March 2025	2,000,000	185,484	6,841	98,808	2,563	2,293,696
At 31 March 2024	1,690,000	225,014	7,788	111,482	3,793	2,038,077

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8.1 Tangible assets

	Long Leasehold Buildings	Plant and Office Equipment	Fixtures & Fittings	Motor Vehicles	Donated Assets	Total
	£	£	£		£	£
Cost or Valuation						
At 1 April 2023	1,690,000	502,855	-	186,718	12,300	2,391,873
Additions	-	7,500	8,128	-	-	15,628
Disposals	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Impairments	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
At 31 March 2024	1,690,000	510,355	8,128	186,718	12,300	2,407,501
Depreciation						
At 1 April 2023	-	240,171	-	62,940	7,277	310,388
Charged in the year	33,800	45,170	340	12,296	1,230	92,836
Disposals	-	-	-	-	-	-
Revaluation	(33,800)	-	-	-	-	(33,800)
At 31 March 2024	-	285,341	340	75,236	8,507	369,424
Net book value						
At 31 March 2024	1,690,000	225,014	7,788	111,482	3,793	2,038,077
At 31 March 2023	1,690,000	262,684	-	123,778	5,023	2,081,485

9. Intangible assets

	Software Licences £
Cost or Valuation	
At 1 April 2024	8,240
Additions	-
Disposals	-
At 31 March 2025	8,240
Amortisation	
At 1 April 2024	6,339
Charged in the year	994
Disposals	-
At 31 March 2025	7,333
Net book value	
At 31 March 2025	907
At 31 March 2024	1,901

9.1 Intangible assets

	Software Licences £
Cost or Valuation	
At 1 April 2023	8,240
Additions	-
Disposals	-
At 31 March 2024	8,240
Amortisation	
At 1 April 2023	5,343
Charged in the year	996
Disposals	-
At 31 March 2024	6,339
Net book value	
At 31 March 2024	1,901
At 31 March 2023	2,897

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10. Stocks

	2024-25	2023-24
	£	£
Raw materials	54,229	71,161
Work in progress	-	-
Finished goods	-	-
	54,229	71,161

11. Debtors

	2024-25	2023-24
	£	£
Debtors - trade	335,607	415,761
Other Debtors	20,313	36,125
Prepayments	81,330	52,015
Accrued income	460,585	820,216
	897,834	1,324,117

All debtors are due within one year.

12. Cash at bank and in hand

	2024-25	2023-24
	£	£
Balance at 1 April	1,516,283	1,535,430
Net change in cash at bank and in hand	480,625	(19,147)
Balance at 31 March	1,996,908	1,516,283

The following balances at 31 March were held at:

Commercial banks and cash in hand	1,996,908	1,516,283
Bank overdraft	-	-
Balance at 31 March	1,996,908	1,516,283

13. Creditors

	2024-25	2023-24
	£	£
Amounts falling due within one year:		
Trade creditors	353,696	173,006
Value Added Tax	212,221	248,054
Other taxation and social security	98,255	91,693
Other creditors	451,833	503,160
Accruals and deferred income	441,341	566,974
	1,557,346	1,582,888

14. Provision for liabilities

	2024-25	2023-24
	£	£
Balance at 1 April	93,096	
Provided in the year	84,538	93,096
Provisions not required written back	-	-
Provisions utilised in the year	(12,115)	-
Balance at 31 March	165,519	93,096

The current provision relates to an amount for penalties and interest relating to the VAT partial exemption declaration and an amount for legal fees in respect of the Industrial Tribunal claim.

The provision for both of these elements was increased in 2024-25 to account for penalties and interest relating to the 2024-25 element of the VAT declaration, and in respect of the legal fees, following an updated estimate provided by USEL's legal team.

15. Members' liability

Each member of the Company is liable to contribute, in the case of a winding up, a sum not exceeding £1. There were 7 members at the Balance Sheet date.

16. Capital commitments

The Company had no contracted capital commitments at 31 March 2025 or 31 March 2024, not otherwise included in these financial statements.

17. Commitments under leases

At 31 March 2025 the Company had no annual commitments under non-cancellable operating leases.

18. Financial performance targets

DfC does not consider it appropriate to set financial targets for USEL.

19. Pension liability

The Company operates a defined benefit pension for its employees which was closed to new entrants in January 2014. Following departmental approval of a pension benefit re-design business case and a formal consultation process during 2022 the Defined Benefit Scheme was closed on 31 December 2022 and all members transferred to the Defined Contribution Scheme from 1 January 2023. The company entered a deficit recovery plan for the Defined Benefit Scheme from 1 September 2022 to 5 April 2034. Following the 2024 triennial valuation which concluded in July 2025, a revised nine year deficit recovery plan was entered into with an end date of April 2033. The assets of the scheme are held separately from those of the Company. Contributions to the scheme are charged to the Statement of Financial Activities to spread the cost of the pension over employees' working lives with the Company at rates determined by a qualified actuary on the basis of triennial valuations using the Projected Unit Method.

The IAS 19 valuation for inclusion in the financial statements at 31 March 2025 is based on the roll forward of results of the last full funding valuation certified by the actuary as at 31 March 2021. Membership data as at 31 March 2021 has been updated using cashflow data in the intervening period as a proxy for membership movement. Key financial assumptions including discount rate and inflation are updated as at the current year end date. The remaining demographic assumptions are consistent with those applied to the 2021 triennial funding valuation.

An independent Trustee was appointed to Chair the Board of Trustees on 1 August 2019. The Trust Board also has two members nominated by the Directors and two members nominated by the members of the Pension Scheme. Mercer manage the investment of 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.

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Change in benefit obligation	2024-25	2023-24
	£'000	£'000
Benefit obligation at beginning of year	20,723	20,978
Current service cost	-	-
Past Service cost	-	-
Interest costs	997	992
Plan participants' contributions	-	-
Benefit payments from plan	(768)	(631)
Insurance premiums for risk benefits	-	-
Actuarial losses / (gains)	(2,957)	(616)
Benefit obligation at end of year	17,995	20,723

Change in plan assets	2024-25	2023-24
	£'000	£'000
Fair value of plan assets at beginning of year	20,991	20,708
Expected return on plan assets	1,014	988
Employer contribution	500	500
Member contributions	-	-
Benefits paid	(768)	(631)
Administrative expenses paid	(333)	(123)
Insurance premiums for risk benefits	-	-
	(1,385)	(451)
Return on plan assets (excluding interest income)		
Fair value of plan assets at end of year	20,019	20,991

Change in asset ceiling/ onerous liability	2024-25	2023-24
	£'000	£'000
Asset ceiling/ onerous liability at beginning of year	268	-
Interest income	13	-
Changes in asset ceiling/ onerous liability (excluding interest income)	4,414	268
Asset ceiling/ onerous liability at end of year	4,695	268

Amounts recognised in the Balance Sheet

	2024-25	2023-24
	£'000	£'000
Defined benefit obligation	(17,995)	(20,723)
Fair value of plan assets	20,019	20,991
Funded status - net asset (liability)	2,024	268
Effect of asset ceiling/ onerous liability	(4,695)	(268)
Asset/ (liability) recognised in the Balance Sheet	(2,671)	-

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Components of pension cost	2024-25	2023-24
	£'000	£'000
Current service cost	-	-
Past service cost	-	-
Total service cost	-	-
Interest cost	997	992
Interest (income) on plan assets	(1,014)	(988)
Interest expense on effect of asset ceiling/ onerous liability	13	-
Total net interest cost	(4)	4
Administrative expenses and taxes	333	123
Defined benefit cost included in the Statement of Financial Activities	329	127
Total re-measurements included in other recognised (gains)/ losses	2,842	103
Total defined benefit cost recognised in the Statement of Financial Activities and other recognised gains/ (losses)	3,171	230
Net defined benefit liability / (asset) reconciliation	2024-25	2023-24
	£'000	£'000
Net defined benefit liability / (asset)	-	270
Defined benefit cost included in the Statement of Net Comprehensive Expenditure	329	127
Total re-measurements included in other comprehensive income	2,842	103
Employer contributions	(500)	(500)
Net defined liability as of end of year	2,671	-
Defined benefit obligation by participant status	2024-25	2023-24
	£'000	£'000
Actives	6,596	7,588
Vested deferred	7,729	8,886
Retirees	3,670	4,249
Total	17,995	20,723

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Fair value of plan assets	2024-25	2023-24
	£'000	£'000
Cash and cash equivalents	108	203
Equity instruments	4,895	5,593
Debt instruments	6,834	6,447
Derivatives	7,190	7,694
Investment funds	992	1,054
Total	20,019	20,991

Significant actuarial assumptions

Weighted average assumptions to determine benefit obligations

	2024-25	2023-24
	%	%
Discount rate	5.90	4.90
Rate of increase in salaries	2.70	2.70
Inflation assumption - RPI	3.00	3.10
Inflation assumption - CPI	2.70	2.70

Assumed life expectancy on retirement at age 65

	2024-25	2023-24
	Years	Years
Female		
Retiring today (member age 65)	22.2	22.2
Retiring in 20 years (member age 45 today)	23.6	23.6
Male		
Retiring today (member age 65)	19.7	19.8
Retiring in 20 years (member age 45 today)	21.0	21.1

Weighted average assumptions to determine defined benefit cost

	2024-25	2023-24
	%	%
Discount rate	4.90	4.80
Rate of increase in salaries	2.70	2.70
Inflation assumption - RPI	3.10	3.10
Inflation assumption - CPI	2.7	2.7

Sensitivity Analysis

	2024-25	2023-24
<i>Present value of defined benefit obligation</i>	£'000	£'000
Discount rate - 50 basis points	19,355	22,474
Discount rate + 50 basis points	16,773	19,166
Price inflation - 25 basis points	17,690	20,206
Price inflation + 25 basis points	18,391	21,242
Mortality assumption - 1 year	18,374	21,167

Other required disclosure amounts

The contributions expected to be paid to the plan during the next financial year amount to £500,000 (2023-24: £500,000)

20. Contingent liabilities

The Company is contesting 2 legal claims in respect of an employment tribunal claim and a personal injury claim. Both cases have been reviewed by our solicitors and are expected to be progressed in 2025-26. Any potential financial impact in respect of either case is currently unquantifiable (2023-24: £Nil).

21. Related party transactions

USEL is an NDPB sponsored by DfC, which is regarded as a related party. During the year, USEL has had various transactions with the Department and with other entities for which the Department is regarded as the sponsoring department.

None of the Board members, members of the management staff or other related parties have undertaken any material transactions with USEL during the year. A copy of related parties information is available on request at www.usel.co.uk

The following balances included in USEL's Financial Statements relate to transactions with the Department for Communities.

Department for Communities	Balance due to DfC (ES) £	Balance due from DfC (ES)	Retention Monies due £	DfC Loan £	DfC Loan write-off £	Grants received £
31-Mar-25	-	351,406	-	-	-	1,295,001
31-Mar-24	333,508	575,858	-	-	-	964,034

Key management personnel compensation

Compensation totalling £275,956 was paid to key management personnel in 2024-25 (2023-24: £262,207). Compensation of key management personnel includes salaries, non-cash benefits and contributions to defined contribution pension plans. This includes amounts paid to the Chief Executive. Amounts paid to all other board members are disclosed in the remuneration and staff report.

22. Statement of Funds

	Balance at 1 April 2024	Incoming Resources	Outgoing Resources	Transfer between Funds	Balance at 31 March 2025
	£	£	£	£	£
Unrestricted income funds	3,275,555	6,373,041	(8,798,886)	-	849,710
Total	3,275,555	6,373,041	(8,798,886)	-	849,710

	Balance at 1 April 2023	Incoming Resources	Outgoing Resources	Transfer between Funds	Balance at 31 March 2024
	£	£	£	£	£
Unrestricted income funds	3,136,937	4,814,255	(4,675,637)	-	3,275,555
Total	3,136,937	4,814,255	(4,675,637)	-	3,275,555

Restricted Income Funds	Balance at 1 April 2024	Incoming Resources	Outgoing Resources	Transfer between Funds	Balance at 31 March 2025
	£	£	£	£	£
Empower Program	-	2,303,033	(2,303,033)	-	-
Employment Support	-	2,786,267	(2,786,267)	-	-
Jobstart	-	137,200	(137,200)	-	-
	-	5,226,500	(5,226,500)	-	-

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Restricted Income Funds	Balance at 1 April 2023	Incoming Resources	Outgoing Resources	Transfer between Funds	Balance at 31 March 2024
	£	£	£	£	£
Empower Program	-	1,843,650	(1,843,650)	-	-
Employment Support	-	2,945,719	(2,945,719)	-	-
Jobstart	-	76,794	(76,794)	-	-
Move into Work	-	33,755	(33,755)	-	-
	-	4,899,918	(4,899,918)	-	-

The Accounting Officer authorised these financial statements for issue on 12 December 2025.

Appendix 1

Additional disclosures required by FreM

USEL, as a charitable arm's length body, is required to account for grant-in-aid received under the Charities SORP and accordingly include it within incoming resources in the Statement of Financial Activities.

For all other ALB's, the FreM requires grant-in-aid to be regarded as contributions from controlling parties giving rise to a financial interest in the residual interest of the body and hence accounted for as financing i.e. by crediting them to the income and expenditure reserve.

In addition FreM requires grant-in-aid to be accounted for on a cash basis.
Were USEL to prepare its accounts on these bases, the results would be as follows:

Statement of Financial Activities prepared under FReM

	Total 2024-25	Total 2023-24 (Restated)
	£	£
Income & Endowments from:		
Donations & legacies	125	759,716
Other trading activities	1,878,671	2,176,820
Contract Income	7,900,224	6,671,075
Investments	71,842	86,067
Other operating income	105,877	175,763
Total Income	9,956,739	9,869,442
Expenditure on:		
Trading Activities	(3,463,184)	(3,884,974)
Contract Income Activities	(7,369,736)	(6,587,371)
Exceptional Expenditure	(17,465)	(66,281)
Total Expenditure	(10,850,385)	(10,538,628)
Net income/ (expenditure) after tax before investment gains/ (losses)	(893,646)	(669,186)
Net gains/ (losses) on investments	(329,000)	(127,000)
Net Income/ (Expenditure)	(1,222,646)	(796,186)
Other recognised gains/ (losses):		
Actuarial gain / (loss) on pension scheme	(2,842,000)	(103,004)
Net gain / (loss) on revaluation of Property Plant and Equipment	343,802	33,800
Amount transferred to reserves	(3,720,844)	(865,389)

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	Total 2024-25	Total 2023-24
Analysis of Reserves prepared under FReM		
Balance at 1 April	3,275,555	3,136,937
Grant-in-Aid Received in Year	1,295,001	1,004,007
Net Operating Expenditure	(3,720,844)	(865,389)
Balance at 31 March	849,712	3,275,555

Appendix 2

Schedule 1

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

Companies Act 2006

- 1 The disclosure exemptions permitted by the Companies Act 2006 shall not apply to Ulster Supported Employment Limited unless specifically approved by Department of Finance (DoF);
- 2 The Companies Act 2006 requires certain information to be disclosed in the Directors' Report. To the extent that it is appropriate, the information relating to Ulster Supported Employment Limited shall be contained in the Foreword;
- 3 When preparing its income and expenditure account, Ulster Supported Employment Limited shall have regard to the profit and loss account format prescribed in the Companies Act 2006;
- 4 When preparing its Balance Sheet, Ulster Supported Employment Limited shall have regard to Balance Sheet format prescribed in the Companies Act 2006. The Balance Sheet totals shall be struck at "Total assets less current liabilities";
- 5 The Foreword and Balance Sheet shall be signed by the Accounting Officer and dated.

Schedule 2

Additional disclosure requirements

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

ANNUAL REPORT & ACCOUNTS 2024-25

REPORT OF THE COMPTROLLER AND AUDITOR GENERAL

Report of the Comptroller and Auditor General to the Northern Ireland Assembly

Introduction

1. The Ulster Supported Employment Limited (USEL) is a Non-Departmental Public Body, established in 1962. The USEL's core focus is 'supporting people who live with disabilities or health related conditions and moving them closer to, into and within employment, training and further education'. It is sponsored by the Department for Communities (the Department).
2. This report reviews the results of my audit of the USEL 2024-25 financial statements and sets out the reasons and context for my qualified opinion on the financial statements due to insufficient evidence available to support the Value Added Tax (VAT) balances, and my qualified opinion on regularity due to unapproved expenditure.

Limitation in scope arising from insufficient evidence to support the estimate of VAT liabilities reported at 31 March 2025 and 31 March 2024

3. I qualified my opinion on the financial statements due to the USEL being unable to provide sufficient evidence to enable me to conclude that the VAT liabilities reported as of 31 March 2025 and 31 March 2024 were correctly stated.
4. The VAT liabilities included in the USEL financial statements are made up of balances due to HMRC arising from business-as-usual activities and from incorrect application of partial exemption VAT in prior years (as outlined at paragraph 10).

Year	Business-As-Usual VAT (£,000)	Partial Exemption VAT (£,000)	Total (£,000)
31 March 2025	80	132	212
31 March 2024	129	119	248

5. When testing the business-as-usual VAT liability included in the USEL 2023-24 financial statements, my engagement team identified significant variances between the VAT figures reported for the trial balance and the VAT return produced by the USEL's financial reporting platform. Such variances have continued to be identified in the financial reporting platform throughout 2024-25, with the USEL unable to provide audit evidence to reconcile, substantiate and explain.

Year	Trial Balance (£,000)	VAT Return (£,000)	Variance (£,000)
31 March 2025	80	15	65
31 March 2024	129	129	-
31 March 2023	(39)	69	(108)

6. Throughout 2024-25 the quantum of the variance has changed between quarters, with a movement of more than £124,000 recorded between the November 2024 and the February 2025 VAT returns.
7. In the absence of evidence to substantiate the variances, it is not possible to conclude on the accuracy and valuation of the business-as-usual VAT balances recorded in the financial statements for the current

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and prior year. There were no alternative audit procedures which I could perform to obtain sufficient appropriate audit evidence for the VAT balances recorded in the trial balance nor the VAT return.

8. The value of the business-as-usual VAT liability variances identified, including the variance movements noted between quarters, are material to the USEL financial statements. I have subsequently concluded that I do not have sufficient audit assurance over the accuracy and valuation of the current year and prior year VAT balances reported in the 2024-25 financial statements and have qualified my opinion on the financial statements in this regard.
9. The USEL has advised it is progressing a programme of corrective work to resolve the VAT reconciliation variances. External technical support has been appointed to reconfigure the VAT module within the financial reporting platform; identify, report and correct historic mis-postings; and align the VAT code mapping within the general ledger. This work is scheduled for completion during 2025.
10. Last year, I reported on several actions taken by the USEL in response to incorrect application of partial exemption VAT in prior years. These included a voluntary disclosure to HMRC in August 2024, recognition of associated VAT liabilities and provisions due to HMRC for prior periods, and the application of partial exemption VAT to returns submitted since June 2024. I note the partial exemption VAT liability arising before June 2024 (£132,000), along with the associated provision (£58,000) for accrued interest and estimated penalties, has not yet been settled with HMRC. The USEL should progress this matter with HMRC as a priority, ensuring that all outstanding amounts are agreed and settled promptly.

Qualified opinion on the regularity of other operating expenditure

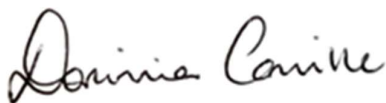
11. I have qualified my opinion on the regularity of transactions included within the USEL 2024-25 financial statements due to the material value of other operating expenditure incurred without the required approvals from the Department.
12. Significant weaknesses in procurement practices in the USEL were identified in 2023 following on from concerns raised under its whistleblowing procedures. Procedures subsequently performed by my engagement team during the 2022-23 audit identified significant exceptions had arisen with the application of internal controls over procurement, with the USEL not preparing business cases and seeking required approvals from the Department before expenditure was incurred. As a consequence, I qualified my 2022-23 and 2023-24 regularity opinions on this basis.
13. In response, the USEL actively identified and addressed a series of oversight and procedural internal control weaknesses related to approvals in 2024 and implemented a series of measures to prevent recurrences. The USEL told us these included:
 - the appointment of a Procurement and Contracts Manager to oversee procurement compliance and support business case preparation;
 - the introduction of a comprehensive Contracts Register and Business Case Tracker, both of which are updated regularly and reviewed as standing items at each quarterly Audit and Risk Assurance Committee meeting;
 - the submission of retrospective business cases to the Department for a number of legacy contracts entered into without prior approval. These contracts were assessed for value for money and allowed to continue until expiry; and
 - embedding strengthened internal procurement controls, including a "no purchase order, no pay" policy, and enhanced staff communication and oversight protocols.

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14. The Department did not provide approval for retrospective business cases subsequently submitted by the USEL during 2024 for the legacy contracts entered into without prior approval. This was because the USEL was unable to demonstrate it followed a process to approve this expenditure internally in prior years before it was incurred. As a consequence, all expenditure incurred on contracts established in prior years which are beyond the USEL Accounting Officer's delegated authority remains unapproved for 2024-25 and subsequent years.
15. During 2024-25, the USEL incurred £363,000 of other operating expenditure which did not have the required approvals from the Department. This expenditure is irregular as the transactions do not conform to the authorities which govern them, and I have qualified my regularity opinion on this basis.

Recommendations for the Future

16. Since 2024 the USEL has taken action to identify and address fundamental procurement internal control deficiencies, with the establishment of robust oversight and monitoring arrangements for procurement and contract management. However, it is important that these continue to be implemented and developed to prevent further irregular expenditure being incurred.
17. I am concerned the VAT reconciliation variances identified as part of my audit of the 2023-24 USEL financial statements have not been resolved, and my limitation of scope qualification remains for this year's audit engagement. Variances between the VAT figures reported for the trial balance and the VAT return represent fundamental weaknesses in financial management. This should be fully addressed as a matter of urgency, with remedial actions taken during 2025-26 for matters arising, including robust finance procedures, engagement with HMRC and correction of prior period errors as necessary
18. The qualification matters outlined above will be tested as part of my audit of the USEL 2025-26 financial statements. I will keep progress made by the USEL under review and will consider implications for my audit opinions from matters arising, including evidence available to support VAT balances and unapproved expenditure which continues to be incurred on contracts established before 2024.



Dorinnia Carville
Comptroller and Auditor General
Northern Ireland Audit Office
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12 December 2025