

Ulster Supported Employment Limited
Annual report
for the year ended 31 March 2015

Ulster Supported Employment Limited

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

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	Pages
Directors and advisers	1
Directors' Report	2 - 7
Foreword by Board Chairman	8 - 9
Audit Committee Report	10 - 12
Management Commentary (Chief Executives Report)	13 - 30
Strategic Report	31 - 32
Remuneration Report	33 - 34
Governance Statement	35 - 40
Statement of Accounting Officers Responsibility	41
Independent auditors' Report	42 - 43
Statement of Comprehensive Net Expenditure	44
Statement of Financial Position	45
Statement of Cash Flows	46
Statement of Changes in Taxpayers' Equity	47
Notes to the financial statements	48 - 62
Appendix 1 – Accounts direction given by the Department for Employment and Learning	63 - 64
Appendix 2 – Profit and Loss account in Companies Act 2006 format	65

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1

Directors and advisers

Directors

Judith Kelly	Appointed 1 st July 2010
Jim Perry (Chairman)	Appointed 1 st August 2012
Gavin Adams	Appointed 11 th April 2012
Aidan Bennett (Audit Committee Chair)	Appointed 11 th April 2012
Trevor Hinds	Appointed 1 st January 2013
Donald MacKay	Appointed 26 th February 2013

Chief Executive and Accounting Officer

S Humphries

Secretary

D Macedo

Registered office

182/188 Cambrai Street
Belfast
BT13 3JH

Bankers

Danske Bank Limited
235 Shankill Road
Belfast
BT13 1FE

Solicitors

Johns Elliot & Co
40 Linenhall Street
BELFAST
BT2 8BA

Statutory auditors

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



Directors' Report
Year ended 31 March 2015
Prepared by David Macedo, Company Secretary

Background Information

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

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

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

By special resolution the Company changed its original incorporation name of Ulster Sheltered Employment Limited to Ulster Supported Employment Limited on 25 September 1998. There have been no changes in the company's activities during the year and none are anticipated in the foreseeable future. These accounts have been prepared in accordance with the accounting and disclosure requirements of the Companies Act 2006 and in a form directed by the Department for Employment and Learning with the approval of the Department of Finance and Personnel. A copy of the Accounts Direction can be found at Appendix 1.

Business review

A full review of Ulster Supported Employment Limited's activities is given on pages 13-30.

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

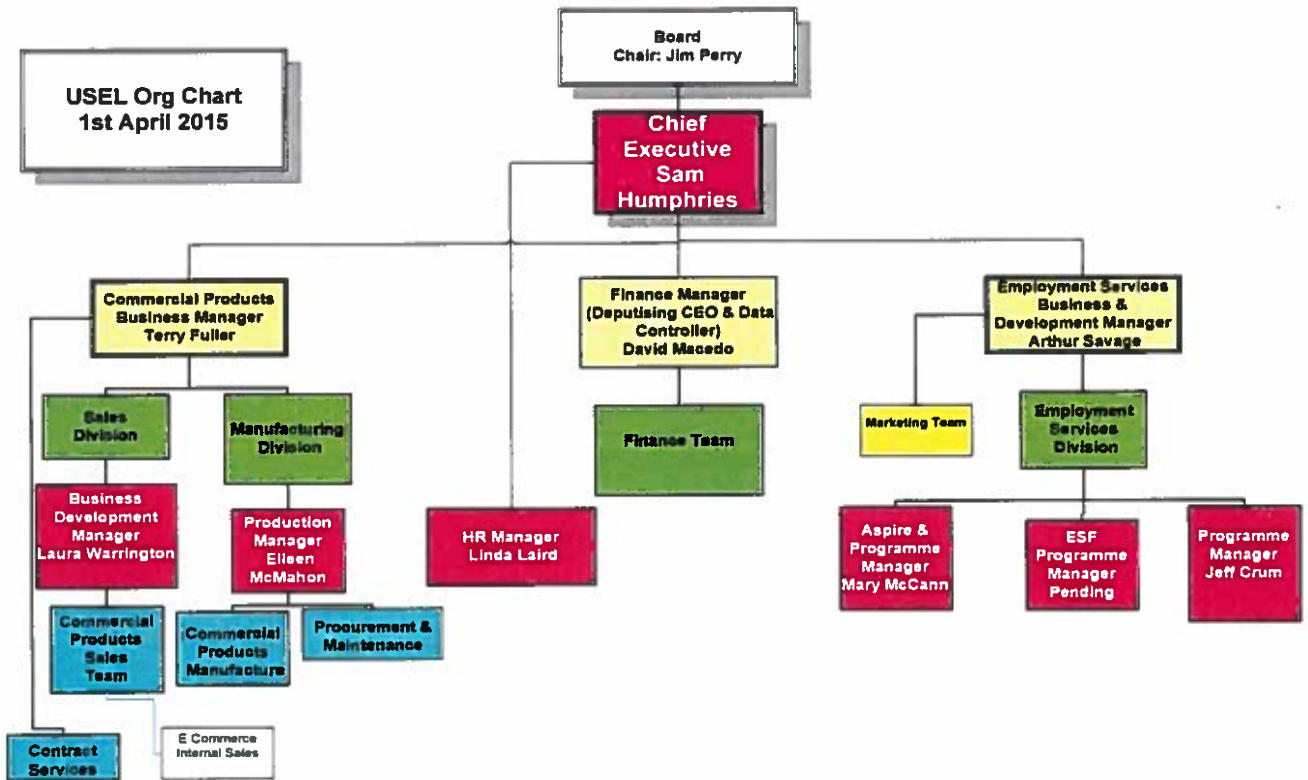
Results for the year

The results for the financial year are set out in the Statement of Comprehensive Net Expenditure on page 44. The deficit for the year was £746,404 (2014: £776,423). Although the Statement of Financial Position shows the Company to have a net liability position, the Directors do not consider there is a risk of the Company not being a going concern. The net liability is due solely to the pension liability for which a 12-year recovery plan has been agreed with Trustees and the Pension Scheme Actuary following the 2012 actuarial valuation of the scheme. On this basis, the Directors consider the Company's financial position at the Statement of Financial Position date to be satisfactory.

Director's report for the year ended 31 March 2015 (continued)

Company Structure Overview

The management structure of the Company is set out below:



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.

Sickness Absence

The sickness absence rate for the year was 7.38% (2014: 6.9%). This is a slight increase compared to the previous year due to a number of long-term sicknesses experienced by a small number of employees.

Employee involvement

The Company continues to pass information to all employees via a cascade process for employee involvement in this past year. This means that the chief executive briefs the entire organisation on a 12 - 14 weekly cycle. Employees are presented with information on all aspects of the business and given the opportunity to ask questions directly to the chief executive. This year a new Employee Forum was introduced to enable a further engagement into specific aspects of the organisation. Employee and union representatives have been nominated by their peers and attend a structured meeting with the CEO, HR manager and other managers as appropriate. At this meeting employees are encouraged to raise issues they or their peer group deems appropriate. Each employee within the organisation has function team meetings on a regular basis, this provides a forum for the

Director's report for the year ended 31 March 2015 (continued)

employees to be kept abreast of developments and feed back their perspective on changes. The Employee engagement initiative of Health and Wellbeing continues to deliver positive impacts which are driven by the employees through the employee working group.

All the function team meetings and employee forum meeting have standing agenda points to review Health and Safety, and ISO. The designated competent person is the Commercial Products Business Manager who works with external supports to ensure the system of Health and Safety across the organisation is in place.

The Environment

The Company continues to manage and maintain a review of its environmental footprint. In the past year we have successfully passed external audit to increase the level to which we manage our environmental accreditation BS8555 from phase 2 to phase 3. The company was again recognised in the 16th Northern Ireland Environmental benchmark survey in the first quintile. Energy conservation is promoted throughout the organisation and posters promoting energy conservation are prominently displayed on notice boards and other locations within the building. Timing switches are also installed where practicable with regard to heating, lighting and air conditioning appliances. As a development of our energy policy we double insulated the roof void of the first floor offices and removed all secondary electrical heaters. Each staff member was presented with a thermal fleece should they personally feel cold. Each office was maintained at 16-19 degrees, the benefits were some £3,000 reduced electricity costs. With an initial investment of £2,800 for insulation the project paid for itself in year one.

Accounting policies

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

Payments to suppliers

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

The percentage of bills paid within this standard is 100%. The trade payable days at 31 March 2015 is 19 days (2013-2014: 27 days) calculated as the proportion of year-end payables to the aggregate invoiced amounts during the year.

Pension fund

The company continues to deliver the dual pension provision following auto enrolment. These are a Defined Benefits scheme, the legacy scheme, and a Defined Contribution scheme operated by NOW Pensions.

The assets of the Defined Benefit Scheme Pension Fund, established for the benefit of the Company's employees, are held in a Trust separately from the assets of the company. Mr Jim Perry independently chairs the Board of Trustees. The Trust Board also has two members nominated by the Directors and two members nominated by the members of the Pension Scheme.

Legal and General Investment Management manage the funds on behalf of the Trustees. Mercer

Director's report for the year ended 31 March 2015 (continued)

Limited has been appointed by the Trustees to act as their Administrators and Advisors on the operation of the Scheme. The Company was taken through the review of public sector pension reform process and has an agreed outcome with the Department for Finance and Personnel for the retention of the scheme, which is now closed to new entrants.

The assets or contributions of the defined contributions scheme are held by NOW Pensions and are outside the scope of the Company's trustee scheme. The audit committee and board remain engaged in ensuring good governance of this scheme.

Policy towards disabled employees

Information regarding employees is provided on pages 13 to 34.

Post Statement of Financial Position events

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

Non Current Assets

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

Charitable donations

The Company made no charitable donations during the year.

Personal Data Related Incidents

There are no personal data related incidents to report.

Directors

There were no changes to the Directors team over the past year.

Current Service:

Jim Perry – Chairman (Appointed 1st August 2012)

James Perry MSc FCA is a Chartered Accountant and is the chair of the Northern Ireland Social Care Council as well as a Non-Executive director for the Pharmaceutical Council NI. He is also currently vice chair of Ballymena Business Centre. Mr Perry previously held post as Chair of the Board of Governors of Ballymena Academy, is a past Associate with the Centre for Competitiveness, and was previously employed as Corporate Services Director with the Northern Ireland Tourist Board. Mr Perry worked for nearly 20 years as a Senior Manager with Northern Ireland Electricity (NIE).

Aidan Bennett – Finance Director & Audit and Risk Committee Chair (Appointed 11th April 2012)

Aidan Bennett was appointed as a Director of the Company in April 2012. Aidan is a qualified Company Director with an extensive background in delivering major IT change programmes across both the Public and Private Sectors. Aidan is a Managing Partner in both Data Analytics Labs and Cruarch Associates, digital informatics technology businesses. Aidan was appointed the Company's Finance Director and Audit Chair in December 2012. He also holds a position as Trustee Director in RelateNI.

Director's report for the year ended 31 March 2015 (continued)

Judith Kelly – Director (Appointed 1st July 2010)

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

Gavin Adams – Director (Appointed 11th April 2012)

Gavin Adams was appointed as a Director of the Company in April 2012. He is currently Director of Business Development with the Extern Group, where he is responsible for fundraising, finance, ICT, communications and marketing for the organisation. He was previously Senior Manager for Business Development with the Royal National Institute for Blind People and Head of Programmes with the Big Lottery Fund.

Trevor Hinds – Director (Appointed 1st January 2013)

Mr Hinds is the Principal at Trevor Hinds Consultancy. He is a member of the Agri-foods and Biosciences Institute's Board since April 2010 and a Board Member of Drainage Council for NI since February 2012. He has previously been a Director in Pricewaterhouse Coopers (PwC) and was a General Manager and Company Secretary for International Factors (NI) Ltd, a wholly owned subsidiary of Bank of Ireland. Mr Hinds is currently a Board Member and Trustee of Mindwise Limited and a Board Member of North City Training Ltd.

Donald MacKay – Director (Appointed 26th February 2013)

Mr Donald Mackay is a former senior manager in the Northern Ireland Fire and Rescue Service (NIFRS). He continues his role as a senior examiner/marker with the Institute of Fire Engineers (IFE). He has previously held a position as local councillor on Craigavon Borough Council. Mr Mackay is a current member of the Southern Regional College Board of Governors and has a vast array of knowledge and experience, working as Senior Fire Officer and also through the work in the community as an elected representative.

Statement of directors' responsibilities

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

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

Ulster Supported Employment Limited

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

7

Director's report for the year ended 31 March 2015 (continued)

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

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

Statement of disclosure of information to auditors

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

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

Auditors

Under the Companies (Public Sector Audit) Order (Northern Ireland) 2013 Ulster Supported Employment Limited is subject to a public sector audit by the Comptroller and Auditor General (C&AG). Although the Northern Ireland Audit Office (NIAO) have contracted the work to Miscampbell & Co, the audit opinion is issued by the Comptroller and Auditor General.

By order of the Board



D Macedo
Secretary
29th June 2015



**Foreword by James Perry,
Board Chairman**

As we present the Annual Report and Accounts for the year ended 31 March 2015 I would like to pay tribute to the Chief Executive, Managers and indeed all of the staff of Ulster Supported Employment Limited for the commitment and dedication which they have demonstrated over the last year. The Board works closely with the Senior Management Team in order to ensure that we continue to be a sustainable, people centred organisation which adds value through respect for others and commitment to excellence.

Our three-year Corporate Plan, of which this is the first year, articulates our clear Vision 'to be the lead provider in helping people with disabilities gain employment'. The organisation has been working to extend its reach to people whose barriers to employment may be derived more from social and environmental factors. Our Plan sets out very clear business objectives against 4 key headings:

- Results
- Customers/Clients
- Processes
- Organisation/People.

This framework has influenced our approach to the many business challenges we have faced over the last year. It is pleasing to note the financial results which have been achieved despite the difficult operating environment. Although it has been disappointing that we have not been successful in retaining the CCTV contact with Derry City Council we are encouraged by the significant advances that have been made in other aspects of the business. The re-launch of our Vintage Satchel range has been an important step forward in the Commercial Products and Services Division.

The Employment Services Division also continues to achieve considerable success through managing a range of employment and training schemes. The organisation works closely with participants to explore employment options and gain the relevant training to enable them to progress towards their chosen career. Over the last year over 1300 people have been supported in employment and over 125 clients have achieved new employment. The Board has been pleased to note that the success achieved has been confirmed through recognition in a number of external award schemes.

As a Non Departmental Public Body, Ulster Supported Employment Limited operates within a very rigorous Governance Framework. I am pleased to confirm that the organisation has operated within its statutory limits and remains committed to best practice in terms of Corporate Governance. Our Corporate Risk Register is monitored regularly by the full Board and our Audit Committee plays a key role in ensuring compliance with all statutory and legal requirements. We undertake a regular Board effectiveness exercise in order to confirm ongoing adherence to best practice principles of Public Service Corporate Governance.

The organisation works closely with the relevant sponsoring branch within the Department for Employment and Learning and all of the necessary accountability arrangements are in place and operating satisfactorily. We very much appreciate the good working arrangements which exist and the support provided by Departmental Staff. The Minister, Dr Stephen Farry has continued to take a keen interest in the development of the Company and he has attended a number of key events throughout the year.

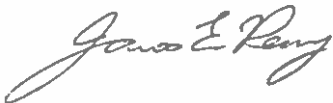
Ulster Supported Employment Limited

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

9

Forward by Board Chairman (continued)

In looking forward, the Board remains optimistic about the future despite the increasingly competitive environment in which we operate. We remain committed to helping to lead the organisation in a way which supports the Management team as it faces current and emerging challenges. We have a shared commercial focus which is consistent with our Social Enterprise business model and which will deliver value for money in terms of supporting, providing and promoting employment.



James Perry
Chairman
29th June 2015

Audit and Risk Committee Report by Aidan Bennett
Chair of Audit and Risk Committee



Chairman's Foreword:

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

Audit and Risk Committee Membership:

The Ulster Supported Employment Limited audit and risk committee comprises all the Company's Board members with the exception of the full Board chair. The Board members are all independently appointed which ensures a high degree of segregation between the organisation and the committee governance and challenge function. The members are supported by the Chief Executive and the company's Finance Manager who attend each meeting.

While the committee has the utmost confidence in the CEO and FM, as part of our process it is now our standing protocol that the committee and auditors will meet once per year in the absence of the CEO and FM. This is to facilitate any direct feedback from the auditors, the NIAO, our internal auditors, and the sponsoring branch departmental representative on any matters which may be compromised due to the attendance of the executive.

Terms of Reference:

The terms of reference remain:

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

Committee Meetings:

The audit committee generally meets on the same day, and just prior to, the main Board meeting. The committee met on four occasions in the year to carry out the functions as described under the terms of reference. I am happy to report we had 86% attendance at these meetings of the members of the committee with 100% attendance of the Chief Executive and Finance Manager.

Internal Audit Report:

This is the first year of our new internal audit provider, RSM McClure Watters who successfully won the tender at the start of the financial year. I would place on record our thanks to ASM for their diligent work of the past years.

The Chief Executive and Finance manager met the internal auditor at the start of the year and agreed a schedule of works for the year. This was ratified by the audit committee and the scheme was approved at the November 2014 Audit Committee meeting.

Ulster Supported Employment Limited

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

11

Audit Committee Report (continued)

The internal audit programme for this year included:

Area Reviewed	Assurance Rating	High	Medium	Low	Total Recommendations
Payroll / Supported Payroll, Pensions & Expenses	Substantial	-	1	1	2
Governance including Risk Management and Gifts and Hospitality	Substantial	-	2	-	2
Credit Card Usage	Substantial	-	-	-	-
Purchasing and Stock	Substantial	-	1	-	1
Complaints Handling	Substantial	-	-	-	-
Follow-up on previously accepted recommendations	Satisfactory	-	-	-	1 recommendation remains ongoing
Total			4	1	5

I am happy to report that the overall audit opinion was Substantial Assurance in all areas covered. I am also happy to report that the remaining follow up recommendation from previous audits has now been closed out with the advent of a new client management process within the Company.

External Audit engagement:

The committee received the draft audit report from NIAO at the meeting held on 24th June 2014. The draft audit report provided an unqualified opinion on the accounts for the year to 31st March 2014. Under the Companies (Public Sector Audit) Order (Northern Ireland) 2008 Ulster Supported Employment Limited is subject to a public sector audit by the Comptroller and Auditor General (C&AG).

Risk Management & Fraud awareness:

The Executive is tasked with reporting any frauds or suspected frauds to the Board and audit committee and I am happy to report that no such reports were applicable during the 2014 - 2015 financial year.

This year was a particularly volatile year so the Executive continuously updated the risk register and the audit and risk committee discussed the risk register at each meeting. The board now receives a monthly indication of the core risks which face the company.

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

Conflicts of interest:

At each meeting the members are invited to declare any known information which could pose a conflict of interest. No such interests were declared during 2014 - 2015. With the ongoing publication of our Directors' interests, and any potential conflicts of interest, the wider risk of any challenge to integrity is mitigated.

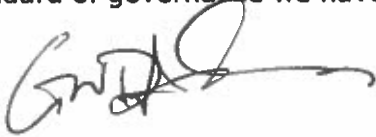
Ulster Supported Employment Limited

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

12

Audit Committee Report (continued)

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



Dr Gavin Adams
Acting Chair of the Audit Committee
29th June 2015

Note: Mr Aidan Bennett, Chairman of the Audit and Risk Assurance Committee, is currently and in the foreseeable future unavailable to sign the above report and in the circumstances asked Dr Gavin Adams to sign it on his behalf.



Management Commentary by the Chief Executive

This report deals with our activities from 1st April 2014 to 31st March 2015.

"I have full confidence in your courage and devotion to duty and skill in battle. We will accept nothing less than full Victory! Good luck! And let us beseech the blessing of Almighty God upon this great and noble undertaking."

General Dwight D Eisenhower, 5th June 1944

2014 was a year with many notable events, none more so than the 70th commemoration of the D-Day landings of June 6th 1944. General Eisenhower issued a personal message to each and every participant on the allied invasion force the night before they embarked upon their "Great Crusade". While the events stimulate many and varied responses there is one thing without question, they embarked upon an uncertain future with their senior commander's absolute endorsement. They went forth with belief that they could overcome whatever lay before them.

Now I would never compare the business battles we face at Ulster Supported Employment Limited with those faced by these men 70 years ago, but I have often said that one of the Company's enduring traits has been the ability to meet unknown challenges with tenacity, resolve and initiative and to come out with nothing less than victory.

Our year started knowing there were many uncertainties, we realised very early on that it would be a year of two halves. That meant the first 6 months of our year we worked to maximize the benefits of the opportunities we had before us, as we knew leaner times would ensue in the second half. We had barely started the year when our key rental partner informed us that the relationship needed to end due to market forces on their delivery model. One of our key underpinning sub contract programs, Steps to Work was confirmed as ending with the new Steps to Work roll out planned to initiate.

Other planned tender opportunities were delayed and numerous barriers arrived unannounced onto our event horizon. As ever the management response was *Improvise, Adapt and Overcome*. When we started the year we had not yet received the long awaited access to the expertise and support of INI. So when in the late summer of 2014 we received access to the support we acted quickly to maximize the front end activity which we knew had to complete to allow the benefits to be delivered. Benefits which we will start to see in the new financial year but those which have the foundations in the 2013-2014 year.

It is at times like these that the corporate vision and values come to the fore, it is often said people deliver their true self when tested. "To be the lead provider in helping people with disabilities gain employment" is a simple statement to utter but to live it day and daily is the true test of its embodiment.

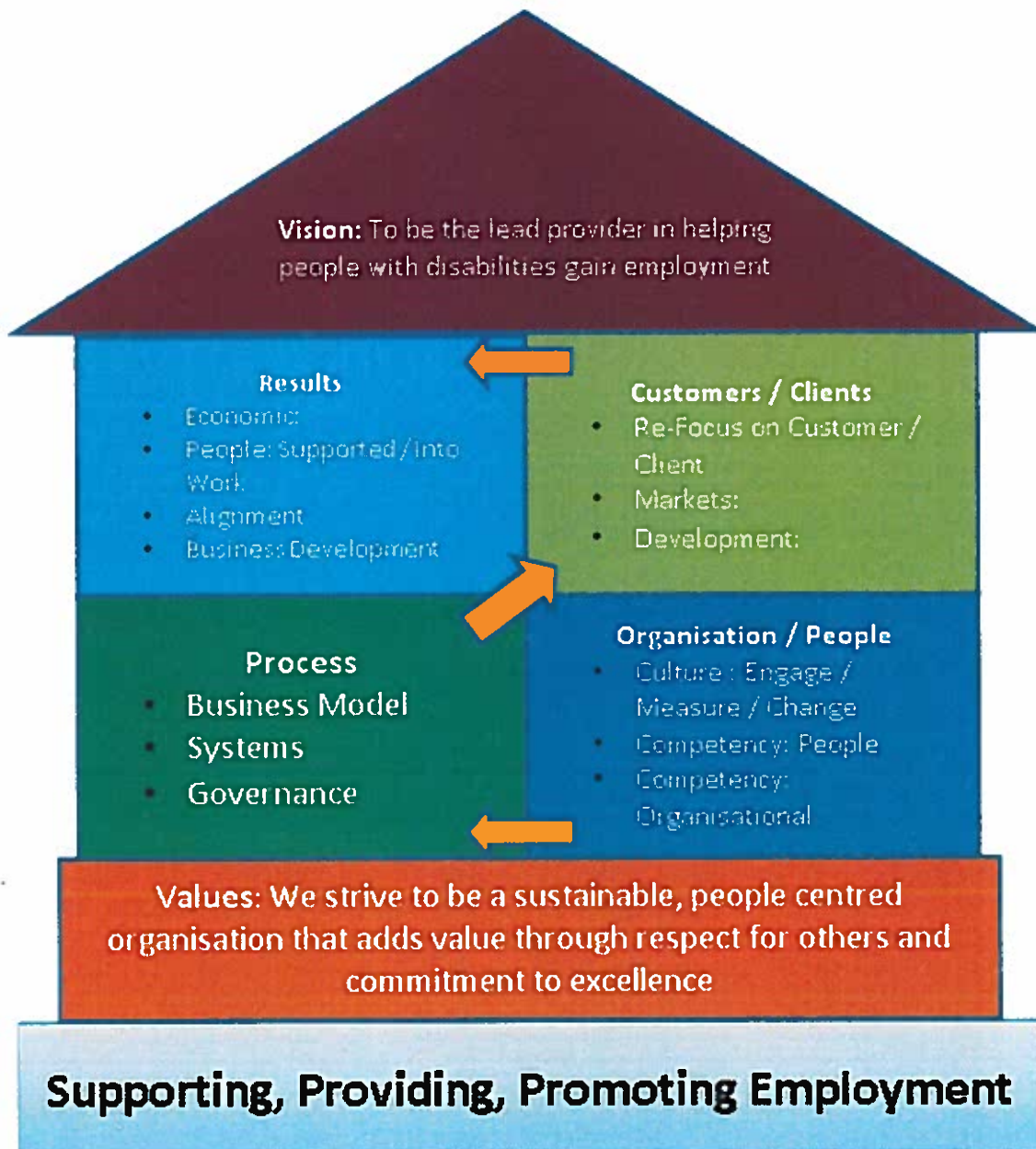
In this year with all its undulations, we knew our IiP Silver assessment was due. In some ways not ideal to assess an organisation under stress, but it would prove to be a litmus test of our espoused values, "We strive to be a sustainable, people centred organisation that adds value through respect for others and commitment to excellence". I am pleased to report that we were successful in retaining the IiP Silver award.

The final outcome we now report is a £55,304 deficit (2013-2014 £69,488 surplus) before depreciation, FRem adjustments and IAS 19 pension costs. A reconciliation between this figure and that shown in the Statement of Comprehensive Net Expenditure is set out on note 2 to the financial statements.

Management Commentary (continued)

Corporate:

This concludes the first year of corporate plan, it is a plan that embodies the core methodology of the balanced score card at a strategic level. It cascades the core elements of the metrics system from Results, Customers, Processes and People across the organisation and ties together these varied elements to ensure that in order to deliver the results we want our Customer / Client, Process / Organisational and People strategies to coalesce.



We have long recognised that the Company cannot operate as an isolated entity, in order to flourish and open the maximum number of doors to our employees and clients we must network and engage. We have consciously maintained key relationships within NI and outside NI on a European and Global stage across the main sectors in which the Company operates i.e. the private, Public and Social Voluntary and Community Sector, specifically in regards to Social Enterprise.

Management Commentary (continued)

Networking:

Social Enterprise NI: We have forged ever-closer ties to SENI and provided input to the big ask manifesto for the political policy makers. We have engaged also in some research with Social Enterprise further afield with the Company providing input into a key research piece for Social Enterprise UK. We have fostered a key relationship for SENI and procurement experts to take the new opportunity that the 2015 Public Contract regulations will yield for our sector and at the end of the year I have been asked to join the new Social Enterprise Forum for Northern Ireland.

Workability Europe and Workability International: We consciously chose to end our relationship with Workability Europe as the direction of travel of the entity seemed to be going contra to the direction of travel which we believe is intrinsic in supporting people with disabilities in an employment setting. We remains in membership of the Workability International body as it was intent on full integration of people with disabilities in the core labour market.

NIUSE: Northern Ireland Union of Supported Employment: We maintain a relationship with this group as we believe in supported employment methodologies. We train our support officers using the Supported Employment Diploma model provided by NIUSE and its European counterpart EUSE.

The European Platform on Rehabilitation: This European forum has over the past year undergone a transition in terms of board and CEO. This has resulted in less data coming from the policy environment however it did provide an opportunity for the Company to engage with a Finnish entity Luovi to share information of methodologies and techniques. The new CEO and board are now in place and we already can see the policy data flowing more freely. We view our membership as key as it provides access well in advance of the European thinking in terms of policy application and techniques.

Business in the Community: While it is true our main interaction with the body is in with their Arena network which supports us, in our Environmental actions the main network provides a vehicle for the Company to stay abreast of key business/Social voluntary issues and to connect on key areas of interest.

Northern Ireland Chamber of Commerce: We consciously continued our membership with the chamber this year to maintain a presence with the business community. The chamber has supported us in our launch of the new Vintage Satchel brand and provided us with contact details on a number of business interests.

Chief Executives' Forum: This is a public sector sharing network. In the past year the CEO and senior team have attended several sessions on public sector efficiency and transformation activities and gain useful insight into how other public entities have moved forward in challenging corporate governance frameworks with positive success.

Association of Chief Executives: I maintain a membership of this body as it provides a key insight into policy dissemination nationally and particularly in terms of the regional assemblies. We receive regular updates from the association via email but due to costs we have not yet attended a national event.

Engagement:

The Company's Health and wellbeing initiative continues to provide interaction led by and for the employees of the company. In the past year we have organised the following:

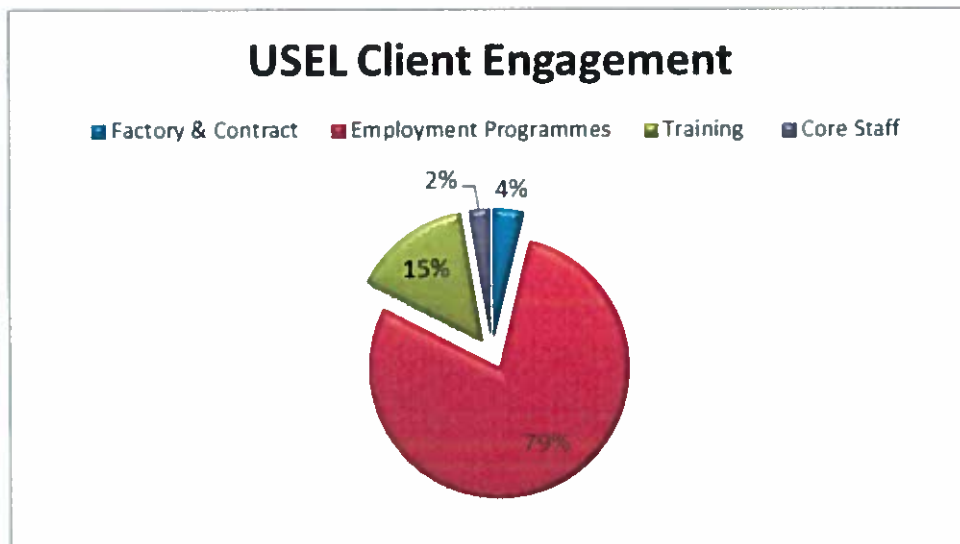
- Started a Savings Club – 2 periods per year. Uptake currently 4 staff and 12 works employees.

Management Commentary (continued)

- Belfast City Council – talk on the benefits of exercise with blood pressure checks if desired from the Healthwise team. Aware of 3 employees going to own GP for high BP issues and 1 requesting a GP referral to a BCC gym (12 week free scheme). Total 29 attendees: 12 staff (M 2, F 10) and works 17 (M12, F 5).
- Additionally a few people started the Couch to 5K programme outside of work.
- "D" for Donate for British Heart Foundation – donation of clothes, household items etc for them to sell on.
- Carecall programme in place – aware of uptake of 2.
- Action Cancer – offer of free health checks (in own time, on their premises). Aware of uptake of 2.
- Healthy World – news sheet issued May and November. Updates and tips/advice.
- Lending Library – established in main canteen – books, DVD's, tapes.
- Notice Boards – revamped old ones and additional boards. Also started Community Board in main canteen.
- Fruit Basket – free fruit per month available.

Delivery of Purpose:

Our purpose statement says Supporting, Providing, Promoting employment. We do exactly what it says on the tin. While our core client group remains people with disability and health conditions we consciously, and in line with changes coming from Europe and through our own Steps to Success client spectrum, have widened our capture to those who have societal issues. Such societal issues cause barriers to employment and require a different approach. This is where the Company excels, dealing with clients with significant barriers from whichever background and adapting the approach to their needs to help them overcome their issues and move towards and into employment. Employment of their choosing and for some employment they never believed possible.



Notwithstanding, our core focus remains people who live with disability or health issues and our delivery models focus on a three-strand approach as defined by our purpose statement. The largest group remains people we **Support**, who under our supported employment delivery model receive support for their employment activities outside of the Company. This group equates to 78% of those with whom we engage.

The second group remain those for whom we **Provide** direct employment, this group accounts for 6% of the total number of people we engage with but delivers employment of their choosing and a financial contribution to the core aims of the Company of 47% of our income. 2 Employees progressed from the factory into new career opportunities. We delivered 61 accreditations to our core workforce this year.

Management Commentary (continued)

Finally the third group where we **Promote** the employability of individuals through up-skilling and training delivery. 16% of the people we engage with have transitioned through this area of the business, many of whom have gone on to secure full employment as a result of their newfound accreditations which adds to their personal employability.

1: Supporting: Employment Services Division:

This division comprises around 26 staff who deliver the programme mix subject to the contract area and the client throughput. The Employment Services team comprises a mixture of client facing personnel known as Employment Services Officers, supported in a back office function by administrators, marketing and management functions.

- A. **Employment Support Scheme**
- B. **Workable NI**
- C. **STEP V**
- D. **Steps to Work (Back to Work)**
- E. **Steps to Success (Specialist Support)**
- F. **Training for Success & Apprenticeships NI (including disability Support)**

A: Employment Support Scheme

The programme which was designed to provide long term supports which included a wage offset provision for employers is now in its 33rd year of operation by the Company. We remain the largest provider of this programme in Northern Ireland with 400 clients remaining active on the programme at the year end. 26 clients left the programme throughout the year with 4 migrating across to Workable NI.

B: Workable NI

The programme continues to go from strength to strength. This programme has especially been a positive progression step for a number of our clients through the European Social Fund funded Skills Training for Employment Progression V programme into sustained employment. We closed out the year having supported 164 clients through the year. Some 34 clients left the programme with 7 of those leaving moving into fully unsupported employment, the balance leaving for a wide range of personal issues.

C: STEP V

2014 - 2015 was the final year of the 4 years of delivery for the programme. This has doubtless been one of the most successful programme delivery activities we have carried out with 119 traineeships being supported on the programme of which 80 (67%) have progressed into open employment, 2 have progressed into self-employment and 1 has progressed into further education. Over the year the Company's Support Officers have delivered 3,193 hours of one to one mentoring support.

D: Steps to Work (Back to Work)

This year was the rundown of the Steps to Work programme with a number of strands coming to an end. However we continued to experience a number of participants being referred for the remaining programme strands. 116 participants were referred to the Company via the Steps to Work Lead Providers, of which 98 were eligible or selected to start on the provision. From those 98 participants 45 entered employment which is a programme delivery of 46%. 91% (41) of those who entered employment sustained for 13 weeks and 89% (40) of those who entered employment sustained for 26 weeks.

E: Training for Success & Apprenticeships NI (Disability Support)

Working along with our key partner Clanrye and a number of the other Training for Success (TFS) training suppliers we now deliver weekly input to their programme participants. This support is delivered on a one to one and classroom basis across Northern Ireland. During the year ended 31

Management Commentary (continued)

March 2015 the Company's officers have provided disability support and training to 125 participants with 1,152 hours of programme delivery.

Programme Stories.

Employment Support Client Dermot Shortlisted for Spirit of Northern Ireland Award

Employment Support client Dermot Devlin was delighted to have been shortlisted for the 2014 "Spirit of Northern Ireland" award in conjunction with the Sunday Life and Specsavers.

Dermot was born with a rare genetic condition called Morquio's Syndrome which causes abnormal development of the bones. Dermot is a wheelchair user and leads a full and active life.



Dermot has worked at Omagh Enterprise Centre (OEC) for 12 years. He joined Ulster Supported Employment Limited in 2006 to help support him in his role. The Company's employment services officer Siobhan Quinn works closely with his employers to ensure that his employment is going well and to support his development within his job role.

During his time at OEC he has progressed from his initial role as administration officer to become a project officer, responsible for the online marketing of the centre and one-to-one mentoring of new clients.

He was nominated for the Overcoming Diversity award by his employers at Omagh Enterprise Company.



As well as his "day" job as a Project Officer, Dermot launched a new website www.mywayaccess.com. The website has not only changed the accessibility of businesses and places but has given people with disabilities more confidence to get out and about. Described as "Trip-advisor for the disabled"

the site brings together information about accessibility in various premises and public spaces across the province, including feedback from people with disabilities about issues such as disabled parking, ramps, lift access, toilet facilities and general attitude. The online directory is a growing list which can be added to at any time by anyone. Businesses can be submitted to the directory from your own locality or elsewhere.

Dermot hopes that the information provided on the site will help decide if your needs can be met at that particular business. This in turn will help businesses improve their facilities and services for people with disabilities. Dermott commented "Ultimately the aim of the website is to give people with disabilities the confidence to plan a trip away, whether it's a shopping trip, a social night out, a weekend break or holiday. They can log into MyWayAccess and see what other people's opinion and use it to access whether these places are right for them."

Management Commentary (continued)

Dermot added "Also with tourism being a major factor, visitors coming to our country can see how accessible Ireland is and which towns and cities are the best places for them to visit."

Cara:



Cara from Enniskillen has been with Ulster Supported Employment Limited in supported employment with the Northern Ireland Civil Service in Enniskillen as an administrative assistant since 1999. The Company's Employment Services Officer, Siobhan Quinn works alongside Cara to provide support, mentoring and advice to help her remain with her job role.

Cara has continued to make great progress in her job role and takes on additional duties which help ensure her work life is varied and as challenging as possible.

Cara's line manager Richard commented "Cara is a great team player and has a good attitude to her work. Cara can work independently to completed tasks and is willing to take on any duties assigned to her and gains great satisfaction from her contribution to meeting the team's targets. She is an

enthusiastic employee and is keen to achieve positive results."

Skills Training for Employment Progression

Carolyn:

Carolyn from Bangor had been discharged from her previous employment on medical grounds. Carolyn was seeking permanent employment within a charity organisation and joined Kiltonga Christian Centre as a volunteer to gain experience.

When a vacancy arose within the centre for a warehouse operative Carolyn was successful in securing the position with the support of the S.T.E.P. programme.

Carolyn was assigned to Ulster Supported Employment Limited's Employment Services Officer, Richard McCracken who helped Carolyn develop a work plan to ensure Carolyn gained the relevant skills and progressed within her employment.

Carolyn worked within the warehouse to organise stock control and provided assistance in the selling of stock to online customers. Richard regularly met with Carolyn to provide support and assistance in her employment during the

programme.



Upon completion Carolyn was offered a permanent position with Kiltonga Christian Centre. Carolyn commented "Richard has been very supportive in helping me gain employment, he has helped me with working tax credits and I have also achieved a qualification in health and safety. I feel that

Management Commentary (continued)

without the support of Richard and the Company it would have been very difficult for me to move back into employment."

Campbell Davis, Kiltonga Christian Centre added "This programme has been very successful for us and with their support of the Company provided us with the confidence to provide employment opportunities to people with disabilities and health conditions."

Workable NI

Carole:

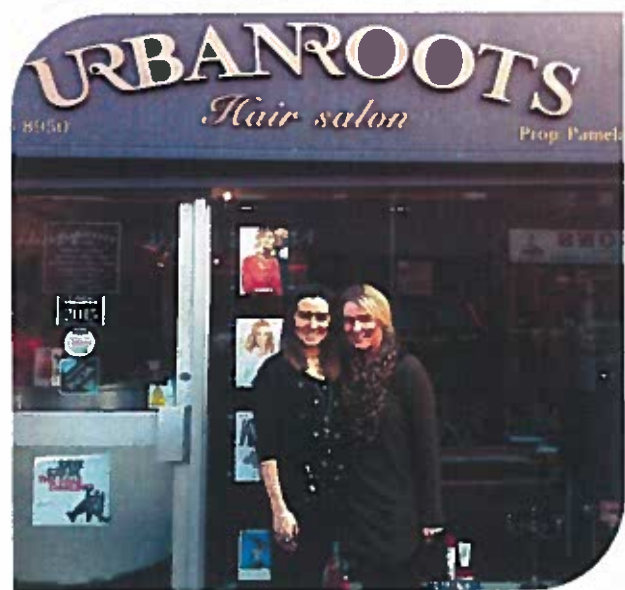
Carole from Belfast experienced depression and anxiety which has greatly impacted on her ability to move into employment. Although Carole had no formal training she was interested in pursuing a career as a hairdresser. Carole sought assistance from Ulster Supported Employment Limited to gain employment in this area and was assigned to Richard McCracken, one of the Company's Employment Services Officer.

Richard sourced a placement for Carole in Urban Roots Hairdressers on the S.T.E.P. programme to provide Carole with experience in this industry and also the necessary support and guidance to help Carole develop her confidence and learn new skills. During the programme Carole also attained a qualification in British Safety Council Health and Safety and an OCN Level 2 in Customer Service.

Upon completion of the programme Urban Roots recruited Carole on a permanent basis under the Workable NI programme to provide ongoing support to Carole in the workplace.

Pamela Robinson, Owner, Urban Roots commented "We are extremely pleased with the outcome of the programme and the progress Carole has made. Carole has also been attending college in the evening to train to become a qualified hairdresser and also undertaking on the job training with ourselves. I feel that without the support of Ulster Supported Employment Limited we would not have been in a position to employ Carole."

Carole added "I feel that the programme has given me the support and confidence to move into hairdressing and build up my skills and knowledge, this is something I have always wanted to achieve and with the support and help from the Company and my employer I have been able to move and progress within my chosen employment."



Management Commentary (continued)

Douglas:

Douglas from Lisburn contacted Ulster Supported Employment Limited to ask for assistance in moving back into employment. Douglas had sustained injuries from his previous job and was seeking employment working with animals as he had previously been employed in this occupation.

The Company's Employment Service Officer Richard McCracken met with Douglas to explore his career options. Douglas had previously experienced difficulties in gaining suitable employment because of his disability and health issues.



Richard sourced a placement for Douglas as Enforcement Officer for Castlereagh Borough Council working 22 hours a week on the S.T.E.P. programme. Douglas's role involved assisting the public, enforcing council policy on dog licensing, fouling and general animal welfare. Upon completion Douglas was offered permanent employment with the council under the Workable NI disability programme.

Through the programme Richard provides ongoing support to both Douglas and the council. Douglas commented "The programme has helped me gain permanent employment. I have also been provided with great support from both the council in all aspects of my job role and from Richard, my employment officer who has been extremely supportive and has helped me grow in confidence. I feel that without this support I would not be in employment."

Mauread's Story



"I was employed at Lough Neagh Discovery Centre at Oxford Island as an Administration Officer on the S.T.E.P. programme.

My daily duties included taking bookings for conference rooms, invoicing the customers for these rooms and also arranging catering requirements for the functions.

I also carried out marketing activities which involved going to companies to tell them about our facilities, arranging meetings and taking minutes. I have also created a social media

Management Commentary (continued)

page for Lough Neagh Discovery Centre that promotes the buildings facilities and the beauty that we have around Oxford Island, this has been an exciting adventure as I get to show people what we actually have to offer and can see the benefits from compiling this page.

Before I started with Ulster Supported Employment Limited, I was experiencing barriers with confidence, which was hard as I have always been a very confident person. My motivation was at a low and I was stressed with not being able to secure a job but that all changed when I started the S.T.E.P. programme. My confidence came back to where it used to be and the Company helped me in so many ways that have enhanced my future prospects.”

Steps to Work

David:

David from Belfast was introduced to Ulster Supported Employment Limited via the VRQ Web Design Programme under the Steps to Work (StW) Programme. David had experienced depression and anxiety which had affected his overall confidence and had impacted on his ability to gain and sustain employment. David had previously been employed within a computer programming role and was seeking employment in this area.



As part of the StW programme David was based with AirPOS for a 13 week placement as a Support Analyst.

Upon completion of the placement the company was keen to employ David as they seen the clients ability in carrying out his job role which involved providing support to developers in payment programmes and cloud based Epos systems. The employer was aware of David’s health issues and believed that with continued support for David they could help him retain employment.

David’s Employment Services officer, Richard McCracken met with David’s manager at AirPos to provide more information about the various support mechanisms available to David on the S.T.E.P. programme.

During the programme Richard provided one-to-one mentoring and support to David and upon completion AirPOS offered David a permanent position with the company.

Marty Neill, David’s manager at AirPOS commented “I feel that the programme and the support it offers not only to David but also ourselves is invaluable. Through the programme we have gained an excellent employee.”

Management Commentary (continued)

Youth Employment Scheme > Workable NI

Campbell:

Campbell from Carrickfergus registered with Ulster Supported Employment Limited initially on the Youth Employment Scheme (YES) programme. Campbell had an anxiety disorder which had affected his confidence and interpersonal skills and he had found it difficult to gain employment.

Campbell was interested in pursuing a career in ICT and with the assistance of his jobs and benefits office had sourced an ICT placement in Gravity, a digital solutions agency based in Belfast. During the programme Campbell was assigned to the Company's Employment Services officer, Teresea McFadden, who provided Campbell with ongoing support and guidance.



During his placement Campbell worked as part of a small team to develop the innovative Simon Community app to help homeless people find hostels and food banks. The Support My Own Neighbourhood app also allows members of the public to send the charity the location of someone they think is at risk. In addition Campbell was also successful in achieving a Vocational Related Qualification (VRQ) ICT qualification.

Campbell's employers were keen to employ Campbell and with Teresa's support and assistance employed Campbell under the S.T.E.P. programme. Campbell commented "The programme helped me develop my confidence and gave me experience of working as part of a team. I have also been able to gain on the job training in an area that I want to continue as a career."

Upon completion of the programme Gravity employed Campbell on a permanent basis under the Workable NI disability programme which provides ongoing support and assistance to Campbell in his employment.

2: Providing: Commercial Products and Services division:

The most significant development for this element of the business was being granted access to a range of support from Invest Northern Ireland (INI). This began in late summer 2014 with the approval for Ulster Supported Employment Limited to join the GAP (Growth Accelerator Programme). This programme provides technical, professional and financial assistance for the Company to further develop products for a primarily export market. In developing the business the employment for the existing workforce is enhanced and the prospect of employment growth is heightened. The programme provided support for the Company to appoint a long awaited Business Development Manager, it also provided access to the design development clinic provision of INI. This allowed the Company to pursue the aspiration to take the vintage satchel product branding to a whole new level.

Management Commentary (continued)

We had aspirations to raise the profile of the brand, raise the price point and value perception of the products, which were in all honesty already in excess of their initial price point. The clinic would allow the Company to develop a story based approach to the brand which would provide the market with a clear view of the products, their heritage in terms of Belfast made and in terms of the Social value these products delivered through the employment of a diverse workforce the majority of whom live with a disability.



This in turn led the Company to create a full market strategy for the brand with direct sales, indirect sales and wholesale / own label possibilities. Our first foray for the new brand was the launch in Cambrai street by our Minister, Dr Stephen Farry on 15th January 2015.

This then signalled our first market showing for the new brand at the All Ireland Showcase Ireland event in January 2015. The launch at the show provided some 34 key contacts with other follow ups, this has led in the latter part of the year to our products being sold on a brand new Vintage Satchel Belfast website www.vscbelfast.com and being sold through 3 new fashion outlets in Ireland with one new outlet stocking them in Denmark.

The factory or commercial products and services division to give it its full title delivers 4 key areas.

1: Mattress and bed manufacture

The bedding market continues to be a source of stress for the organisation. We continue to make mattresses as their size and tactile attributes suit our largely blind or partially sighted departmental employees. The challenge with the market is keeping up with design changes. The other is keeping abreast of the new entrants into the market, some of whom are locally based manufacturers. The low capital entry point and relative simplicity of a mattress means numerous start ups come and go. They usually don't last but in their first flush they erode the price point and value as they attempt to enter the market with a very low price point. When they fold, the residual is that the market believes the price point remains low, when in fact it is for that very reason they have not survived.

It was also in this element of our business that we experienced the sales resource pressure with our core sales representative off with major health issues. This had an impact on our sales for the year, however towards the end of the financial year our rep returned and is now actively clawing back lost market ground and working with our new business development manager to redesign new mattress products for launch early in the new financial year.

2: Industrial sewing



Once again this year has witnessed the Industrial sewing division flourishing. Closing the year 14% up on budget income delivery. This was due to a number of key elements. The first is our experience and location; in the greater Belfast area, Ulster Supported Employment Limited is one of the last remaining Industrial sewing houses available.

Management Commentary (continued)

The experience we have over our 52 years means we can assess many projects quickly and this year we delivered over 29 new or revised designs and over the year we produced 108 separate products for customers, of which 23 were completely new to us.

It is here our flexible approach and customer responsiveness shows. Local Northern Ireland customers can bring their products to us, we will work alongside them to develop a design which can be quickly modified to meet their visualisation and specifications. This geography means there is a fast design concept to production cycle, something which outsourced low cost geographies cannot achieve easily.

3: Factored Goods

These products are bought and sold on to add value and range to the items we make ourselves. Once again the core product for this element has been the electric beds. With the advent of our new business development manager we have taken steps to secure the agency rights to the range for Northern Ireland. This is something we have wanted for some time but due to the business model operated by the Belgian manufacturer they were unprepared to enter into. This development means that Ulster Supported Employment Limited is the all Ireland representative for the range of Electric beds. Something we hope to see develop more new business going forward.

4: Contract Services

This element of the division received a significant body blow in the year. Our core tenant for the unused space at Cambrai street gave notice of their intent to close up shortly after our year started. The financial benefits are not insignificant to the Company as the unused space delivers a valuable source of income and net return. Work continues on securing new rental partners at the end of the year but the area is awash with unused space so it is very much a renters' market. Prices are depressed and it is difficult to secure rental partners who see the value in such a high quality facility.

Our city centre closed circuit television monitoring for Londonderry continued throughout the year, however the council moved to retender the provision. As we close the financial year we are one month away from the contract transferring to a new service provider in the Londonderry area. The core staff engaged in this contract are transferring over to the new provider. I am compelled to note the contribution this team, who are an award winning monitoring team, have made to the Company over the nine years of the contract. We wish them well in their futures.

3: Promoting:

Aspire Training

The primary emphasis for this department, which operates under the employment services division at present, is the delivery of accredited and non-accredited training courses. This year Aspire Training delivered 823 accreditations. Added to which were 116 non accredited outcomes for mentoring in the workplace and pre-employment skills such as CV preparation, job application and interview skills. While the majority of these were linked to our current programmes profile requirements we also delivered an additional 37 courses in areas such as Mentoring in the workplace, Basic Food Hygiene, Sage accounts, Health and Safety, Web Development, IT Maintenance, Search Engine Optimisation and Microsoft Excel, Word, PowerPoint and Outlook. Over 6,000 man-hours of training is a significant commitment and contribution by our small team of trainers and associates. All of which led to a very positive financial return on this investment.

Ulster Supported Employment Limited

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

26

Management Commentary (continued)

Marketing:

Each year we go to great lengths to ensure we promote the opportunity clients can avail of through our service delivery model, this also serves to reinforce to people that employment is possible with the right support. Some of the activities we have undertaken this past year are noted below:

Date	Exhibition	Subject
9 th April 2014	Making equality work: Recruiting disabled people Equality Commission for Northern Ireland, City Hall, Belfast	Interactive half day conference to discuss positive action and the practical steps employers can take when employing people with disabilities
1 st May 2014	Education Transition Service Senco Training/Information Event Strabane Academy Junior Site Derry Road	For all special need co-ordinators in post primary schools and teachers within Special Schools, Showcasing a wide range of services who work with the WELB Transition Service to help ensure a smooth transition from school to adult life available to all their students who hold a statement of educational need.
30 th – 31 st May 2014	Disability Action Exhibition, Kings Hall Pavilions, Belfast	Northern Irelands Largest Disability Exhibition
19 th September 2014	Jobs Fair, SOUTH WEST COLLEGE, OMAGH,	Jobs Fair
2 nd October 2014	Job Fair SOUTH WEST COLLEGE, ENNISKILLEN	Jobs Fair
3 RD October 2014	Jobs Fair, Bytes Project, Crumlin road Gaol	Jobs Fair
13 th October 2014	Broadening Horizons Careers Event, Armagh City Hotel	Careers Event Special Needs Schools
15 th October 2014	Careers Event Killard School, Donaghadee	Careers Event Special Needs School
15 th – 19 th October 2014	Belfast Fashion Show, Bruce Street, Belfast	Showcasing Vintage Satchel Company
21 st October	Jobs Fair, Europa, Belfast	Jobs Fair
18 th November 2014	Careers in the City, Belfast City Council	Jobs Fair
20 th – 21 st November 2014	NIUSE and IASE Joint Conference“ Creating the future of supported employment ”, Holiday Inn, Belfast	NIUSE and IASE Joint Conference
18 th January 2015	Interactive Workskills Showcase event which targets students in Special Schools and Units within the NEELB, Antrim Forum	Interactive Workskills Showcase event
5 th February 2015	Jobs Fair, Seagoe Hotel, Portadown	Jobs Fair

Management Commentary (continued)

Customer Satisfaction Survey

As a company we regularly engage with customers, clients and employers to ensure we are listening to and responding to the needs of the clients. This year we carried out a survey across the Employment Support Scheme and Workable NI Programmes and ESF Funded STEP V programme.

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

Clients:

Satisfaction with the Company's officers: 98%
Satisfaction at the level of interaction with the officer: 96%
Satisfaction with the contact availability of the officer: 95%
Satisfaction with Employment: 94%
Satisfaction with Training opportunities provided by employer: 72%

Employers:

Satisfaction with the Company's supports: 93%
Satisfaction with the Employees contribution to the employment: 90%
Satisfaction with the Company's administration behind the programme: 98.6%

Commercial Products Customers:

The survey this year focusses upon our industrial sewing customers.

Our survey engaged a balance of private and public sector customers the majority of whom have been customers for more than 5 years.

All of our customer surveyed had placed orders with the Company in the past 6 months.

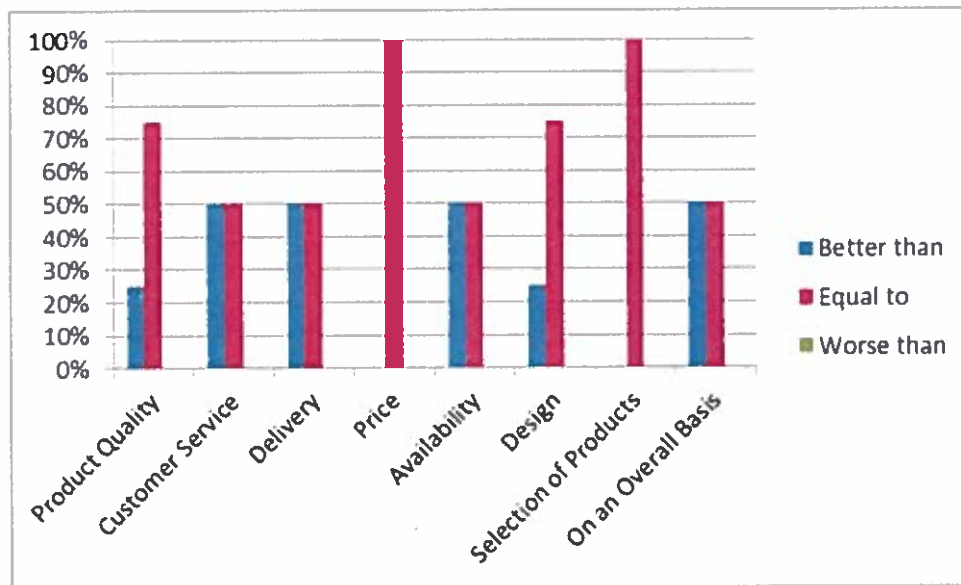
Product: 100% Excellent or Good
Customer Services: 83% Excellent / 17% fair
Delivery: 100% Excellent or Good
Price: 100% Excellent or Good
Availability: 33% Excellent / 50% Good / 17% Fair
Design: 76% Excellent / 16.5% Good / 16.5% no answer
Product Selection: 33% Excellent / 50% Good / 17% no answer

Overall: 67% Excellent / 33% Good

The participating companies were also asked if they purchased from suppliers with similar goods. 4 companies responded YES. These companies were asked to rate Ulster Supported Employment Limited against their other suppliers with similar goods on all the areas surveyed above. As below:

IN YOUR OPINION HOW DOES ULSTER SUPPORTED EMPLOYMENT LIMITED COMPARE TO OTHER SUPPLIERS WITH SIMILAR GOODS?

Management Commentary (continued)



General Company information

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

1: Funding

This financial year we received 10.5% (£766,664) of our total income by way of grant from our sponsoring department.

2: National Fraud Initiative:

The Company was again part of this in 2014-2015, the matching exercise again presented only minor data matches of an administrative nature. No fraud or attempted fraud was detected.

3: Partnering

Ulster Supported Employment Limited entered a number of partnerships in the lead up to the tender exercise for the new Steps to Success programme. All of the prime contractors into which the Company was entered as a bid partner achieved contract status, there however remains no outflow to the Company as a third level provider as yet.

During the financial year the European Social Fund next round of funding became available and a call for submissions process was undertaken. The Company was successful in securing a further 3 years of funding for that programme delivery and currently establishing the various networks for referrals, employer supports and other statutory supports needed to roll the programme out to the client group.

The Company was also successful in attaining a partnership for the Erasmus plus stream of research funding. The Company operates as part of a European consortia set up to review opportunities for young people living with significant barriers to employment.

We have continued to be an active participant in the Social Enterprise Network in Northern Ireland. Arthur Savage continues to contribute to the EU Regional Forum for NI, and Terry Fuller continues to represent The Company at the National Bedding Federation organisation.

Management Commentary (continued)

4: ISO 9001 (2008 series)

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

5: DDO (Disability Discrimination Order)

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

6: Section 75 Duties

As a Non-departmental Public Body Ulster Supported Employment Limited has a requirement to comply with the Northern Ireland Act Section 75 Statutory Duties and produce an Equality Scheme outlining the processes the Company will follow to ensure its obligations are met. The Company maintains a firm commitment to meeting its Section 75 obligations. Linda Laird, our HR Manager has responsibility for the compliance and adherence with the full support of the Board and Senior management team. During the year the Sect 75 specialists from the Department for Employment and Learning provided much appreciated advice and guidance on Section 75 screening to assist us ensure we delivered full compliance.

7: Auditor's Remuneration

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

8: Reflection on 2014 – 2015

This was a very challenging year and one of two very distinct halves. Initially income was beyond that predicted due to the managed close out of Steps to Work provision continuing longer than predicted. As a result we retained clients much longer than planned. Commercial products while impacted by the sales resource was performing ahead of net output largely due to better margin management and redeployment of the underutilised labour giving fuller overhead recovery. At the end of the first six months we received confirmation of the Growth Accelerator programme and that opened up new doors.

However as we moved into the second half of the year we experienced a significant impact with a core rental partner issuing notice, the closer circuit TV provider initiating a new tender activity and the Steps to Success sub contract roll out being well below that which we had planned. The training for success programme was more labour intensive than predicted due to the client needs being more significant so that brought about resources pressures we could not alleviate until we knew about the future of the Europeans Social Fund programme.

The positive results of the first half of the year peaked and began to reverse. Thankfully these first six month results provided a much needed buffer as the impacts of the second half of the year started to be realised. It was in the middle of this reversal that our Investors in People reassessment exercise started, not ideal but it proved to be a resounding affirmation of our core values and engagement as we retained the Silver award.

The challenges keep on coming, but once again the management team and the employee body, take the punch and roll, rising every time to achieve better. They are indeed to be fully commended for their tenacity and resourcefulness.

Management Commentary (continued)

9: The Future

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

2015-2016 will doubtless be another challenging year especially with the transfer of the closed circuit television monitoring service in Londonderry and our attempt to rekindle the bedding market with a new range. The budgets we present showing a negligible surplus are realistic and achievable. Once again cost control is a key element of our budget delivery.

That expectation is underpinned by dependence on the following:

1: The Commercial Products and Services plans fully deliver:

- 1: Bedding Market: Developing a new range to meet the market needs and offset the core business by bringing on the recycling solution to see The Company become the only end to end mattress provider in Northern Ireland.
- 2: Vintage Satchel E-Commerce: We need to continue to maximise our web sales and develop more aggressive marketing for our satchel business.
- 3: INI: maximise the support of Invest NI. And seek new avenues for support going forward.

2: Fully deliver the expectations and client outcomes for each of the programme lines. 2015 will be the first year in which our ability to grow all our programmes lies outside our control. We retain a limited headroom to increase the programme numbers due to the nature of the new sub contract relationships.

3: The training division, need to continue to divest into non programme related income streams while supporting the European Social Fund programme.



Sam Humphries
Chief Executive and Accounting Officer
29th June 2015

Strategic Report

Ulster Supported Employment Limited operates a social enterprise business model. The core aspect of this is to deliver the services to our client group utilising the best commercial practices to maximise the public money invested in the company. In doing so the company while partially funded through grant in aid operates the two division model as before.

The Commercial products and services division operates the factory in which employees, the majority of whom live with a disability or health condition, produce products converted from raw material to finished products and sold by a wide variety of methods to wholesale and end users alike. These products are produced to relative appropriate standards and are sold commercially with gross and net margins in mind. Any margin generation being reinvested into the factory model and thereby reducing the call on grant funding.

The second division, Employment Services, delivers a supported employment model to over 1500 clients annually. Within this division are contract deliveries to the departments for which the Company has tendered and won the contracts in open competition to other contenders. For these programmes the Company receives a fee payment exactly the same as other providers irrespective of their status or sector.

Whereas the factory model delivers direct employment to over 70 people, 73% of whom have a disability or health issue, the Employment services model delivers to clients who work outside the Company in various employment activities 100% of whom will have a disability, health condition or a significant societal barrier to employment.

In all cases any surplus derived from the activities is reinvested into the company for the furtherance of our core mission. 2014-2015 witnessed a significant transition for the delivery of our external services with the advent of new programming by the Northern Ireland assembly department with responsibility for employment services. Ulster Supported Employment Limited adopted a second / third tier supply chain positioning within this new paradigm and we now await the outflow of clients through the system. It was this paradigm shift that accounted for the expected deficit at the budget preparation.

As a Social Enterprise the Company is subject to the normal risks of business such as sourcing materials cost effectively, competition and managing cash flow accordingly. Products we make and sell must attract customers in the way all other products within our competitor market place need to. The services delivered must also compete and deliver to predetermined outcome standards to ensure we firstly maximise the benefit to our client but also that we produce value for money for the investment through the contract by government.

Also, as an Arms-Length Body, Ulster Supported Employment Limited must comply with the requirements which arise from that status. While it is fair to say these do not always neatly coalesce, the pragmatic management by our sponsoring department ensures they are applied proportionately and appropriately.

The Company takes its responsibility as a corporate citizen seriously. We attempt to ensure our employees, clients, service users and customers are fairly treated and respected as articulated in our new Values statement: "We strive to be a people centred, sustainable organisation that adds value through respect for others and commitment to excellence". We ensure our impact on our community locally and nationally is positive and our environmental footprint is reduced where possible.

As an organisation committed to the inclusion of people with disabilities and health issues in employment where the individual can exercise their choice to work in a suitable environment we comply and indeed embody many of the attributes of the Section 75 requirements and the Disability Discrimination Order. This places the Company in a unique place in Northern Ireland's society.

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 Employment and Learning

Strategic Report (continued)

following the public appointments process. Headed by a very competent chair the board has one sub grouping which is the Audit and Risk committee. The full board and Audit and risk committee ensure that the executive is supported and challenged in equal measure.

Each director receives adequate training by recognised public training entities to ensure they meet their compliance requirements. The chair meets the director of the department twice each year with an annual review being part of that meeting process. The chair meets each director annually to carry out a review of performance, the board reviews its effectiveness annually and bi annually brings in a facilitator and trainer to assist in that and ensure an external perspective is presented to the directors by way of a sanity check.

Annually the board reviews the performance of the CEO through the delivery of the corporate and annual business plan. The board monthly reviews the performance of the company and the senior team attend all board meetings to provide a direct account for their business area.

The board meets each line manager and department head at least once per annum to allow the board to receive detailed information in respect to the individual business area. 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 Ulster Supported Employment Limited.

The company sets a budget annually and for the year 2014-2015 a deficit budget was agreed, measured and monitored monthly by both management and board. The outturn was 20% better than predicted due to the efforts of the management team in detailed management and entrepreneurial working.

The future for the company has a number of key elements which will impact it. Firstly with the new programme delivery models now settled and in place the outflow of clients remains an unknown quantity at this time. Our budgets have accounted for this and we believe they are pragmatic. Commercially the markets for our products, specifically bedding, remain highly volatile. The executive have embarked on a number of new development opportunities such as mattress recycling pilot for Belfast City Council to mitigate this uncertainty.

In a wider context we are awaiting clarity on the reform of the Northern Ireland Assembly departments. While we do not expect the transition to a revised departmental structure to have initial significant implications we do expect over time to note changes as the new departmental policy may have overtones which the current arrangements do not.



Sam Humphries
Chief Executive and Accounting Officer
29th June 2015

Ulster Supported Employment Limited

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

33

Remuneration Report

Remuneration Policy

The Non-Executive Directors hold appointments which last for three years and the Department for Employment and Learning Minister has the option of re-appointing for a further three years after consideration of a performance assessment. The Chief Executive (Mr S Humphries) is appointed by the Board of Directors and holds an open ended contract. The remuneration of the Directors is decided by the Department for Employment and Learning. The remuneration of the Chief Executive is decided by the Chairman of the Board of Directors. All other remunerations are decided by the Chief Executive. The overall annual pay remit is approved by the Department for Employment and Learning and the Department of Finance and Personnel. The staff remuneration policy underwent a modification to reduce the number of spine points available. The change is phased over a period of 3 years following equal pay advice to the company. This change was approved by the sponsoring branch. Details of remunerations (which are subject to audit) are set out below.

	2014 - 15				2013 - 14			
	Salary £	Benefits in kind £	Pension Benefits £	Total £	Salary £	Benefits in kind £	Pension Benefits £	Total £
J Perry	6,299	-	-	6,299	5,929	-	-	5,929
A Bennett	1,610	-	-	1,610	1,838	-	-	1,838
G Adams	1,327	-	-	1,327	2,350	-	-	2,350
J Kelly	2,110	-	-	2,110	2,735	-	-	2,735
T Hinds	1,465	-	-	1,465	1,459	-	-	1,459
D Mackay	1,637	-	-	1,637	1,757	-	-	1,757
S Humphries	70,897	664	6,000	77,561	70,263	609	14,000	84,872
Highest Paid Official				77,561				84,872
Median Total Remuneration				1,637				2,350
Ratio				47.4				36.1

"Salary" includes gross salary; there were no bonuses paid; benefits in kind refer to an insurance premium which is subject to UK taxation.

The highest paid director was Mr J Perry whose remuneration for the year amounted to £6,299. The median salary during the year was £13,561.

The company operates two pension schemes. The first is a defined benefits scheme which is now closed to new entrants; the scheme provides benefits on a "final salary" basis at a normal retirement age of 65. Benefits accrue at the rate of 1/60th of pensionable salary for each year of service up to 30 June 2013 and at the rate of 1/80th thereafter. The contributions to the scheme are determined by a qualified actuary based on triennial valuations using the Entry Age Normal Method and at present members pay contributions of 8% of pensionable earnings and the company pays 22.4%. Pensions increase annually in line with the Retail Prices Index up to a maximum of 5%. On death, pensions are payable to a surviving spouse at a rate of half the member's pension. On death in service, the scheme pays a lump sum benefit of three times pensionable pay and a spouse's pension equal to one half the member's prospective pension.

The second scheme which was established to allow the company to comply with the auto enrollment legislation as of February 2014, is a defined contributions scheme operated externally by the NOW pensions service. This was approved by the sponsoring department following consultation with the

Ulster Supported Employment Limited

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

34

Remuneration Report (continued)

Department of Finance and Personnel in 2014. There are two levels of contribution, the minimum as determined by current legislation and an enhanced level of 4% employee and 8% employer.

The above table is subject to audit

Only Mr S Humphries accrues a pension. Currently he has an accrued pension of £10,076 per annum as at 31 March 2015 (2014: £9,246). The real increase in pension as at 31 March 2015 was £580 (2014: £980). The Company's benefit structure does not provide additional cash so there is no related lump sum. Normal pension age is 65.

The above pension values relating to Mr Humphries have been calculated based on CPI indexation of 2.7% to September 2013 and 2.2% to September 2012. The values are net of contributions paid by Mr Humphries.

CEO Remuneration History

Total remuneration (single total figure table)

	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011	31 March 2010
	£000s	£000s	£000s	£000s	£000s	£000s
S Humphries	78	85	80	82	87	90

Value of all pension related benefits accrued in year to

	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011	31 March 2010
	£000s	£000s	£000s	£000s	£000s	£000s
S Humphries	6	14	10	12	17	20



Sam Humphries
Chief Executive and Accounting Officer
29th June 2015

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 Ulster Supported Employment Limited policies, aims and objectives, whilst safeguarding the public funds and company assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money Northern Ireland. In this context the organisation's Financial Memorandum and Management Statement sets out the accountability arrangements for Ulster Supported Employment Limited.

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. Ulster Supported Employment Limited, 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 Ulster Supported Employment Limited for the year ended 31 March 2015 and up to the date of approval of the annual report and accounts, and accords with DFP guidance.

Capacity to Handle Risk

The board remained unchanged in this financial year but we welcomed a new Business Development manager to the team. The manager in question attended public sector training on governance for managers within a public body. The audit committee met four times in the year and the risk register was formally presented following update. This financial year we updated the risk register on five separate occasions, demonstrating the dynamics of the governance and risk management within the Company. On that basis as accounting officer I receive a high degree of comfort that from board through to managers 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 objectives are determined by the Department for Employment and Learning and consist principally in the provision of paid employment and training for disabled people in Northern Ireland. The Company operates on strict commercial business lines with each manager held fully responsible for achieving his/her budget and targets. The key performance indicator system is utilised to ensure budgetary control and expenditure are controlled and met. The Whole Management Team operates to the Nolan principles of leadership standard.

Bi-Annually the director with responsibility for Ulster Supported Employment Limited within The Department for Employment and Learning meets the chairman. Annually the DEL Director with the Head of the sponsoring branch meet with the Board. The Head of Branch and appropriate assistant hold formal meetings with the Chief Executive and the Financial Manager on a monthly basis. The executive team communicate with the branch on a regular basis from operational matters to corporate matters, this is usually by e-mail or telephone contact. Other ad-hoc meetings are arranged as and when required.

Governance Statement (continued)

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 accounting officer of our sponsoring department annually to discuss the key business issues. At that meeting I meet the director of DEL and the head of the sponsoring branch. This is further augmented by on a monthly basis with the business meeting between the sponsoring branch, the CEO and FM for Ulster Supported Employment Limited.

I also attend the quarterly procurement sub-committee meeting with the department and report all necessary procurement information monthly to the department and branch.

Board:

Ulster Supported Employment Limited comprises a board of six directors, who are selected through the public appointments process. The directors appoint from their number a director to act as Finance Director who is also the chair of the audit and risk committee. One of the directors acts as Director with portfolio for Health and Safety, and this is reported annually at board.

Directors are provided with adequate training in respect to 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 normal board meetings and at other times throughout the year as required. The CEO provides the board with a full management commentary, the Senior managers contribute a written commentary from their business area within the board pack also. We meet as a board and whole management team annually for a full day to review progress, hear from the line managers and review Corporate Plan alignment.

The Company Finance manager provides the board with a monthly Profit and Loss account pack with detailed disclosure of all financial matters relevant to the company at board level. The monthly data pack provides the board with full disclosure on all matters within the organisation. The data pack contains key finance, operational and governance information on which the directors remain fully briefed. As the financial statements and board data are so comprehensive in nature, and align to results from internal and external audits the board accepts the data provided as accurate, timely and detailing all relevant information.

The Senior team provide the board with direct reports monthly showing the performance of the division for which they are responsible, detailing actual against budgets and targets with a commentary. The senior team attends the board to answer directly to the board for the areas of operational control.

The board accepts that the data provided to them is comprehensive, sufficiently detailed, accurate and timely.

Annual review of effectiveness:

The board undertook an annual review of effectiveness in 2013, the outcome of that review denoted 6 key topic areas to focus upon.

Long term vision: The board recognised the need to ensure a clear concise and tangible vision was clearly established and communicated. This was the first full year of our 2014-2017 corporate plan. The board and whole management team reviewed the progress in November 2014 and the board were satisfied that progress was on target.

Governance Statement (continued)

Clarity or roles and delegated authority: A scheme of delegation was reviewed and is published on the corporate governance section of the company website.

Board Meetings: The board wanted to ensure time was utilised effectively with discussion time being provided for key topics. The board remains focussed on prime issues regarding the Company and providing opportunity to explore key issues monthly. During the year the board set aside other days to engage with the whole management team and to deal with specific topic areas outside the normal transaction business of the board.

Performance management: The KPI's set out in the corporate plan were deemed satisfactory at the November 2014 review. It was recognised that some of the KPI's required minor adjustment to ensure a clear line of sight to the objective and its delivery.

Board composition and development: The board undertook a review of the Section 75 duties in the financial year and their roles within that. As a result they have identified that Ulster Supported Employment Limited as an employer of people with disability should strive to ensure representation on the board from the disabled community. The matter has been raised with the department and onwards to the Public appointments unit.

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 need of the entity. Only one sub group has been set up outside of the audit committee and this is an ad-hoc group which supports and challenges the executive in respect to tenders.

In 2014-2015 the attendance of directors at board meetings was 95%, the attendance of the Senior team was 91%.

Audit Committee:

Directors of Ulster Supported Employment Limited, with the exception of the full board chair, comprise the audit and risk committee which meets four times per year.

The Audit and Risk Committee meeting is attended by the CEO and Finance Manager along with external audit representation from the NIAO, the sponsoring branch representative and the Internal Audit service provider representative as required.

Audit committee members receive appointment letters and terms of reference aligned to HM Treasury guidelines. The committee meets four times per annum as per best practice guidelines.

Schedule:

Apr / May:	Review Draft Annual report and accounts Carry out Review of Audit Committee Effectiveness
June:	Receive annual report and accounts Receive Independent feedback from Auditors (CEO & FM not present) Outcome of Audit Committee review of effectiveness Review Risk Register
Oct / Nov:	Review and Accept the IA schedule Review Risk Register Review Financial Information and performance Review Pension information following autumn review meeting
Jan / Feb:	Review and Accept Internal Audit Findings Review and accept External Audit Schedule Review Board Effectiveness Review findings Governance Statement preparation Review Risk Register

Governance Statement (continued)

In 2014-2015 the attendance of members at the audit committee was 95%.

Tender Committee:

There were no planned meetings of this sub-committee in the financial year.

Pension Trustees:

The company now operates a dual pension provision.

1: Defined Benefits System: This scheme is now closed to new entrants as of 31st January 2014. During the financial year the company worked with Department of Finance and Personnel to ensure the Company's scheme was compliant with the wider public sector pension reforms. The trustee board comprises 5 members, two elected from pension fund members and three appointed by the company. The full board chair acts as the chair of the Pension Trustee board. The trustees meet at least on two occasions per annum with other ad-hoc meetings as required to discharge the duties of a trustee.

The role of pension trustee is a challenging and onerous one and requires high levels of pensions regulator mandated training equating to a minimum of 30 hours annually.

The company continues to deliver and meet the deficit recovery scheme as required and agreed by the pensions regulator.

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. Notwithstanding the company governance engagement for the new system is operationally through the company finance manager, with the audit committee and full board exercising due governance as required.

Risk Management:

While the risk register is formally reviewed prior to the audit committee, with any revisions made following discussions at that meeting, the register is kept updated throughout the year. The Whole Management team identify risks at each monthly / bi 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 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 fully as possible and well managed on a day to day and longer term basis.

There are a number of key risks which an organisation operating commercially face. We have identified working capital and reduction in funding as two prime risks to our ability to continue trading. The pension liability while a risk is subject to a recovery plan which has been accepted by the pension regulator and therefore we deem it to be well controlled. Each risk has a management plan and to date these plans have successfully navigated the company through the economic landscape in which we operate.

I use other areas of input to allow me to provide the audit committee, the board, the department and the accounting officer of our sponsoring department with assurances. These include but are not limited to:

Governance Statement (continued)

ISO 9001-2008 Quality Management system 6 monthly external audit
Internal Audit findings and recommendations
Dear Accounting Officer / Dear Finance Officer letters and guidance passed to me by the department
Public Sector training for areas of change (EG: Bribery Act compliance)
Sage accounts presentation versus the Key Performance Indicator process ultimately validated by External auditors
External auditors reports for programmes delivered on behalf of Department for Employment and Learning (FAST etc)
External auditors reports for European Social Fund funded programmes
External audits on behalf of BS8555 environmental management
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
Investors in People assessment

These audits and reviews have all provided positive assurance of the control mechanisms within the Company for the year 2014-2015. No material issues were noted, nor were any significant risks or fraud identified.

Following internal audit for 2014-2015 we received an overall substantial assurance on all levels tested, details of which are included in the Audit Committee Chair's report. On the foregoing basis I have a system of control which permits me to annually meet the Permanent Secretary in his capacity of accounting officer, and provide a six monthly assurance statement that the organisation is managed and run appropriately and is fully compliant.

On the issue of Information Assurance I can confirm that Ulster Supported Employment Limited continues to enforce the 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
- * Issuing Encrypted USB devices to relevant staff
- * Publishing a Data protection policy procedure for all staff
- * Enforcing the company policies on mobile IT equipment

Throughout the year 1st April 2014 - 31st March 2015 I can confirm that there were no data breaches.

The Company is currently working with the sponsoring body to meet the new Data sharing protocols for the public sector. Full compliance will be achieved.

ULSTER SUPPORTED EMPLOYMENT LIMITED charitable status

Ulster Supported Employment Limited is currently working with the Department for Employment and Learning governance division through the sponsoring branch to review the issues around the Company applying for charitable status. The Charities Commission have placed Ulster Supported Employment Limited in special circumstances while the process of alignment is carried out. While we have no date for a conclusion, financially the successful application and acceptance of the Company is critical.

Ulster Supported Employment Limited

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

40

Governance Statement (continued)

Review of Effectiveness

The systems utilised by Ulster Supported Employment Limited 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.

The process of accountability through board and through delegated authority within the organisation in areas such as procurement through the application of our CPD approved procurement manual, allows me as CEO and accounting officer to provide this governance statement.

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

The full engagement of the Audit Committee and directors in all matters through the open and transparent nature of information passage to board and the sponsoring branch allows me to denote the effectiveness of our governance arrangements.

Their compliance with our published codes of practice and guides on the board and audit committee which defines the terms of reference for both and which are complied with fully, permits me the opportunity to present and endorse this governance statement, with no issues to note.



S A Humphries
Chief Executive and Accounting Officer
29th June 2015

Statement of Accounting Officers Responsibility

Ulster Supported Employment Limited is an executive Non Departmental Public Body sponsored by the Department for Employment and Learning. The company was established on 16th March 1962 to support the fulfilment of the Disabled Persons (Employment) Act (Northern Ireland) 1945 as amended June 1960.

While Ulster Supported Employment Limited's core sponsoring department is the Department for Employment and Learning, day to day direction comes via the sponsoring branch the Disability Employment Service.

Under these provisions Ulster Supported Employment Limited's Chief Executive Officer is the designated accounting officer for the Company, reporting to the DEL Accounting Officer, the Permanent Secretary.

Ulster Supported Employment Limited's sponsoring department have directed the Company to produce an Annual Report and Accounts for the use and consumption of resources by the Company. The accounts are prepared on an accrual basis and provide a true and fair reflection of the state of affairs of Ulster Supported Employment Limited and its net resource outturn, application of resources, changes in taxpayers' equity and cash flows for the financial year.

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

Observe the accounts direction issued by the Department for Employment and Learning including 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 reports.

Prepare the accounts on a going concern basis.

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 of account and safeguarding Ulster Supported Employment Limited's assets are set out in Managing Public Money Northern Ireland published by HM Treasury via the Department of Finance and Personnel.



S A Humphries
Chief Executive and Accounting Officer
29th June 2015

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

I certify that I have audited the financial statements of the Ulster Supported Employment Limited for the year ended 31 March 2015 under the Companies (Public Sector Audit) Order (Northern Ireland) 2013. These comprise the Statement of Comprehensive Expenditure, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Taxpayers' Equity and the related notes. These financial statements have been prepared under the accounting policies set out within them. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as adopted by the European Union. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Companies (Public Sector Audit) Order (Northern Ireland) 2013. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

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.

Opinion on regularity

In my opinion, in all material respects 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.

Opinion on financial statements

In my opinion the financial statements:

- give a true and fair view of the state of Ulster Supported Employment Limited's affairs as at 31 March 2015 and of its net expenditure, cash flows and changes in equity for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- have been prepared in accordance with the Companies Act 2006.

Opinion on other matters

In my opinion:

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


Matters on which I report by exception

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

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

Report

I have no observations to make on these financial statements.


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

2 July 2015

Ulster Supported Employment Limited

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

44

Statement of Comprehensive Net Expenditure for the year ended 31 March 2015

	Note	2015 £	2014 £
Expenditure			
Staff costs	3	(6,111,286)	(6,246,815)
Depreciation and amortisation	9	(41,093)	(56,652)
Other expenditure	4	(939,485)	(1,013,278)
		(7,091,864)	(7,316,745)
Income			
Income from activities	5	6,516,614	6,751,165
Other income		15,566	4,907
		6,532,180	6,756,072
Net Expenditure		(559,684)	(560,673)
Interest receivable	6	280	250
Net Expenditure after interest		(559,404)	(560,423)
Other Comprehensive Net Expenditure			
Items that may be reclassified to net operating costs			
Other finance costs	7	(95,000)	(126,000)
Other pension administrative expenses		(90,000)	(90,000)
Net charge on revaluation of Property Plant and Equipment	9	(2,000)	-
Total Comprehensive Net Expenditure for the year ended 31 March 2015, attributable to DEL revenue account	8, 15	(746,404)	(776,423)

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

The notes on pages 48 to 62 form part of these financial statements.

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

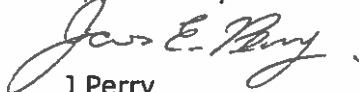
45

Statement of Financial Position at 31 March 2015

	Note	2015 £	2014 £
Non-Current Assets:			
Property, plant and equipment	9 (a)	1,186,683	1,253,212
Intangible assets	9 (b)	-	-
Total non-current assets		1,186,683	1,253,212
Current assets			
Inventories	10	125,776	130,224
Trade and other receivables	11	1,188,086	1,118,131
Cash and cash equivalents	12	50	944
Total current assets		1,313,912	1,249,299
Total assets		2,500,595	2,502,511
Current liabilities			
Trade and other payables	13	(952,153)	(836,327)
Non-current assets less net current assets		1,548,442	1,666,184
Non-current liabilities			
Pension liabilities	20	(5,212,000)	(2,176,000)
Total assets less liabilities		(3,663,558)	(509,816)
Taxpayers' equity			
Department for Employment and Learning	15	(3,663,558)	(533,816)
Revaluation reserve	16	-	24,000
		(3,663,558)	(509,816)

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 and Personnel's definition of a non-profit-making company and is subject to a public sector audit under the Companies (Public Sector Audit)(Northern Ireland) Order 2013, being an order issued under Article 5(3) of the Audit and Accountability (Northern Ireland) Order 2003. The Board therefore claims this exemption.

Approved by the Board of Directors on 29th June 2015


J Perry
Chairman

The notes on pages 48 to 62 form part of these financial statements.

Registered No. NI 005192

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

46

Statement of Cash Flows
for the year ended 31 March 2015

	Note	2015 £	2014 £
Cash flows from operating activities			
Net Expenditure after interest		(559,404)	(560,423)
Adjustments for non cash transactions			
Depreciation and amortisation	9	41,093	56,652
Gain on disposal of property, plant and equipment		-	(750)
Difference between pension charge and cash contributions		(299,000)	(222,000)
Decrease in Inventories	10	4,448	18,517
Increase / (decrease) in trade and other receivables	11	(69,955)	(4,707)
Increase / (decrease) in Trade and other payables	13	1,769	(51,764)
Net cash outflow from operating activities		(881,049)	(764,475)
Cash flows from investing activities			
Purchase of property, plant and equipment	9	(564)	-
Proceeds of disposal of property, plant and equipment		-	4,500
Net cash outflows from investing activities		(564)	4,500
Cash flows from financing activities			
Grant from sponsoring department	15	766,664	795,259
Net financing		766,664	795,259
Net increase (decrease) in cash and cash equivalents in the period		(114,949)	35,284
Cash and cash equivalents at the beginning of the period		(43,388)	(78,672)
Cash and cash equivalents at the end of the period	12	(158,337)	(43,388)

The notes on pages 48 to 62 form part of these financial statements.

Ulster Supported Employment Limited

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

47

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2015

	Dept for Employment and Learning				
	Loan Account	General Fund	General Reserve	Revaluation Reserve	Total Reserves
	£	£	£	£	£
Balance at 1 April 2014	2,337,687	(2,881,503)	10,000	24,000	(509,816)
IAS 19 actuarial gain	-	(3,150,000)	-	-	(3,150,000)
Grant from parent department	-	766,662	-	-	766,662
Revaluation of property	-	-	-	(24,000)	(24,000)
Comprehensive Expenditure for the year	-	(746,404)	-	-	(746,404)
Balance at 31 March 2015	2,337,687	(6,011,245)	10,000	-	(3,663,558)

	Dept for Employment and Learning				
	Loan Account	General Fund	General Reserve	Revaluation Reserve	Total Reserves
	£	£	£	£	£
Balance at 1 April 2013	2,337,687	(3,592,339)	10,000	-	(1,244,652)
IAS 19 actuarial gain	-	692,000	-	-	692,000
Grant from parent department	-	795,259	-	-	795,259
Revaluation of property	-	-	-p	24,000	24,000
Comprehensive Expenditure for the year	-	(776,423)	-	-	(776,423)
Balance at 31 March 2014	2,337,687	(2,881,503)	10,000	24,000	(509,816)

Notes to the financial statements for the year ended 31 March 2015

I Statement of accounting policies

The financial statements are prepared on a going concern basis in accordance with the accounting and disclosure requirements of the Companies Act 2006 and applicable accounting standards issued by the International Accounting Standards Board in a form directed by the Department for Employment and Learning with the consent of the Department of Finance and Personnel. Without limiting the information given, the financial statements also comply with the accounting and disclosure requirements contained in the Government Financial Reporting Manual (FReM) and accounting and disclosure requirements issued by the Department of Finance and Personnel. The particular accounting policies adopted are described below. They have been applied consistently in dealing with items that are considered material to the accounts. The effect of compliance with FReM in respect of the accounting for grant in aid is set out in note 15.

Accounting convention

The financial statements are prepared on the accruals basis under the historical cost convention as modified by the revaluation of property, plant and equipment, intangible assets and inventories. Despite the deficit in the Statement of Financial Position arising from the impact of IAS 19 – Retirement Benefits, these financial statements have been prepared on the going concern basis because the pension deficit does not require immediate funding in full. Contributions to the pension scheme continue to be made on the basis of recommendations made by the scheme actuary.

Property, plant and equipment and depreciation

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

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

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

Intangible assets and amortisation

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

Inventories

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

Turnover

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

VAT

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

Notes to the financial statements for the year ended 31 March 2015 (continued)

1 Statement of accounting policies (continued)

Leases

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

Pension costs

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

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

The above pension scheme was closed to new employees on 31 January 2014; since this date new employees are auto-enrolled into a defined contribution scheme in accordance with current legislation.

Taxation

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

Impending application of newly issued accounting standards not yet effective

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

Critical accounting estimates

The Company prepares its consolidated financial statements in accordance with the FReM, the application of which often requires judgements to be made by management when formulating the Company's financial position and results. Under IFRS, 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 Committee.

Ulster Supported Employment Limited

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

50

Notes to the financial statements for the year ended 31 March 2015 (continued)

Pension liability

The company has a commitment, to pay pension benefits to approximately 437 people. The cost of these benefits and the present value of our pension liabilities depend on such factors as the life expectancy of the members, the salary progression of our 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 for all of these factors in determining the pension costs and liabilities incorporated in our financial statements. The assumptions reflect historical experience and our judgement regarding future expectations.

The value of the net pension obligation at 31 March 2015 and the key financial assumptions used to measure the obligation are disclosed in note 20.

2 Statement of Operating Costs by Operating Segment

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

Employment Services operate employment programmes on behalf of DEL; these programmes are awarded through commercial tenders. In this segment the Company relies on DEL, this being the major customer. The Chief Operating Decision Maker is the Chief Executive, reporting to the non-executive Board of Directors. The Chief Executive receives on a monthly basis Key Performance Indicators which include the monthly management accounts. These monthly management accounts exclude depreciation, FREM adjustments in respect of grant in aid and year end pension adjustments under IAS 19. These items are excluded in order to properly compare the results with the Budget as agreed by DEL which also excludes those items i.e. it is a cash items Budget.

Statement of Operating Costs by Operating Segment 2014-15

Segment	Factory Operation £	Employment Services £	Other £	Total 2014-15 £
Gross Expenditure	(881,496)	(2,619,891)	-	(3,501,387)
Income	678,578	2,767,505	-	3,446,083
Total net (expenditure) / income per Management Accounts	(202,918)	147,614	-	(55,304)
Reconciling items:				
Depreciation and amortisation	(27,794)	(13,299)	-	(41,093)
Grant in Aid financing reported through Reserves per FREM	(762,007)	-	-	(762,007)
Net actuarial adjustments per IAS 19	-	-	114,000	114,000
Net charge on revaluation of Property Plant and Equipment	-	-	(2,000)	(2,000)
Total net expenditure per the Consolidated Statement of Comprehensive Net Expenditure	(992,719)	134,315	112,000	(746,404)

Notes to the financial statements for the year ended 31 March 2015 (continued)

Statement of Operating Costs by Operating Segment 2013-14

Segment	Factory Operation £	Employment Services £	Other £	Total 2013-14 £
Gross Expenditure	(1,613,845)	(5,868,248)	-	(7,482,093)
Income	1,513,220	6,038,361	-	7,551,581
Total net (expenditure) / income per Management Accounts	(100,625)	170,113	-	69,488
Reconciling items:				
Depreciation and amortisation	(38,815)	(17,837)	-	(56,652)
Grant in Aid financing reported through Reserves per FReM	(795,259)	-	-	(795,259)
Net actuarial adjustments per IAS 19	-	-	6,000	6,000
Total net expenditure per the Consolidated Statement of Comprehensive Net Expenditure	(934,699)	152,276	6,000	(776,423)

3 Staff numbers and related costs

	2015	2014
	£	£
Staff costs comprise:		
Wages and salaries	5,588,446	5,659,420
Redundancy payments	13,992	6,659
Social security costs	197,321	201,150
Other pension costs	311,527	379,586
	6,111,286	6,246,815

All employees had a permanent contract of employment. The average number of whole-time equivalent persons during the year was as follows:

	2015	2014
	Number	Number
Average number of persons employed:		
Management and administration	37	34
Production distribution and sales	61	61
Employment support	417	429
	515	524

Ulster Supported Employment Limited

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

52

Notes to the financial statements for the year ended 31 March 2015 (continued)

4 Other expenditure

	2015	2014
	£	£
Materials	186,217	194,612
Payments to hosts and sub-contractors	214,328	213,116
Light, heat and power	45,888	48,126
Rent and rates	37,353	49,191
Repairs	18,235	47,539
Tools	2,758	1,771
Telephone	17,518	18,819
Tutors	7,344	10,545
Canteen	8,790	7,972
General expenses	105,167	120,565
Insurance	39,170	37,164
Advertising	29,173	10,034
Audit - internal audit	3,960	3,782
- external audit	6,049	8,000
Bad debts written off	5,691	9,151
Computer	30,871	34,124
Discount allowed	129	725
Motor expenses	49,600	53,963
Postage	13,193	11,668
Packing	495	1,237
Printing and stationery	15,833	14,801
Travel	13,272	13,310
Training	59,960	81,669
Legal and professional fees	33,505	22,266
Bank charges	986	746
Consultancy fees	-	4,246
Increase (decrease) in provision for doubtful debts	7,000	4,886
(Decrease) in provision for slow moving inventories	(13,000)	(10,000)
Profit on sale of property, plant and equipment	-	(750)
	939,485	1,013,278

5 Income from activities

	2015	2014
	£	£
Trading income	499,262	504,429
Contract services	163,701	208,584
Employment support	1,073,473	1,109,483
Contract income	4,565,339	4,683,360
Training income	214,839	245,309
	6,516,614	6,751,165

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

Ulster Supported Employment Limited

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

53

Notes to the financial statements for the year ended 31 March 2015 (continued)

6 Interest receivable

	2015	2014
	£	£
Interest receivable	280	250

7 Other finance costs

	2015	2014
	£	£
Expected return on pension scheme assets	686,000	613,000
Interest on pension scheme liabilities	(781,000)	(739,000)
Net cost	(95,000)	(126,000)

8 Deficit for the year

This is stated after charging/(crediting):

	2015	2014
	£	£
Auditors' remuneration - Internal audit	3,960	3,782
- External audit	6,049	8,000
Depreciation and amortisation	41,093	56,652
Interest receivable	(280)	(250)

9 (a) Property, plant and equipment

	Long leasehold buildings	Plant and office equipment	Motor vehicles	Total
	£	£	£	£
Cost or Valuation				
At 1 April 2014	1,200,000	634,578	43,739	1,878,317
Additions	-	564	-	564
Disposals	-	(2,602)	-	(2,602)
Impairments	(50,000)	-	-	(50,000)
At 31 March 2015	1,150,000	632,540	43,739	1,826,279
Depreciation				
At 1 April 2014	-	581,366	43,739	625,105
Charged in the year	24,000	17,093	-	41,093
Relating to disposals	-	(2,602)	-	(2,602)
Impairments	(24,000)	-	-	(24,000)
At 31 March 2015	-	595,857	43,739	639,596
Net book value				
At 31 March 2015	1,150,000	36,683	-	1,186,683
At 31 March 2014	1,200,000	53,212	-	1,253,212

Ulster Supported Employment Limited

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

54

Notes to the financial statements for the year ended 31 March 2015 (continued)

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

The company's long leasehold buildings were revalued at 31 March 2013 on the basis of open market value for existing use by The Land & Property Services, Belfast and reviewed at the end of the current year. The valuations were prepared in accordance with the Royal Institution of Chartered Surveyors' Valuation Standards, Global and UK 8th Edition. Plant and office equipment would normally be revalued using indices published by the Office of National Statistics, but the calculations were insignificant and therefore no such revaluation took place.

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

	Long leasehold buildings	Plant and office equipment	Motor vehicles	Total
	£	£	£	£
Cost or Valuation				
At 1 April 2013	1,200,000	635,128	58,739	1,893,867
Additions				
Disposals	-	(550)	(15,000)	(15,550)
At 31 March 2014	1,200,000	634,578	43,739	1,878,317
Depreciation				
At 1 April 2013	-	556,613	54,989	611,602
Charged in the year	24,000	25,303	-	49,303
Relating to disposals	-	(550)	(11,250)	(11,800)
Impairments	(24,000)	-	-	(24,000)
At 31 March 2014	-	581,366	43,739	625,105
Net book value				
At 31 March 2014	1,200,000	53,212	-	1,253,212
At 31 March 2013	1,200,000	78,515	3,750	1,282,265

Ulster Supported Employment Limited

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

55

Notes to the financial statements for the year ended 31 March 2015 (continued)

9 (b) Intangible assets

	Software Licenses £
Cost or Valuation	
At 1 April 2014	51,977
At 31 March 2015	51,977
Amortisation	
At 1 April 2014	51,977
Charged in the year	-
At 31 March 2015	51,977
Net book value	
At 31 March 2015	-
At 31 March 2014	-

9 (b) Intangible assets

	Software Licenses £
Cost or Valuation	
At 1 April 2013	51,977
At 31 March 2014	51,977
Amortisation	
At 1 April 2013	44,628
Charged in the year	7,349
At 31 March 2014	51,977
Net book value	
At 31 March 2014	-
At 31 March 2013	7,349

10 Inventories

	2015 £	2014 £
Raw materials	81,953	70,069
Work in progress	13,115	15,844
Finished goods	30,708	44,311
	125,776	130,224

Ulster Supported Employment Limited

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

56

Notes to the financial statements for the year ended 31 March 2015 (continued)

11 Trade and other receivables

	2015	2014
	£	£
Amounts falling due within one year:		
Receivables - trade	332,788	304,235
- employment support	211,914	256,453
Retention monies outstanding from DEL	295,037	281,187
Other receivables	337,047	263,554
Prepayments and accrued income	11,300	12,702
	1,188,086	1,118,131

12 Cash and cash equivalents

	2015	2014
	£	£
Balance at 1 April	(43,388)	(78,672)
Net change in cash and cash equivalents	(114,949)	35,284
Balance at 31 March	(158,337)	(43,388)

The following balances at 31 March were held at:

Commercial banks and cash in hand	50	944
Bank overdraft	(158,387)	(44,332)
Balance at 31 March	(158,337)	(43,388)

13 Trade and other payables

	2015	2014
	£	£
Amounts falling due within one year:		
Bank overdraft	158,387	44,332
Trade payables	93,698	148,353
Value Added Tax	120,604	123,170
Other taxation and social security	59,325	53,288
Other payables	17,931	5,584
Accruals and deferred income	502,208	461,600
	952,153	836,327

14 Members' liability

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

Ulster Supported Employment Limited

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

57

Notes to the financial statements for the year ended 31 March 2015 (continued)

15 Department for Employment and Learning

	2015	2014
	£	£
Loan Account		
Balance at beginning of year and at end of year	<u>2,337,687</u>	<u>2,337,687</u>
General Fund		
Balance at beginning of year as previously stated	(2,881,503)	(3,592,339)
IAS 19 pension (deficit) / surplus	(3,150,000)	692,000
Department for Employment and Learning – Revenue Grant in aid	766,662	795,259
Deficit for the year	(746,404)	(776,423)
Balance at end of year	<u>(6,011,245)</u>	<u>(2,881,503)</u>
General Reserve		
Balance at beginning of year and at end of year	<u>10,000</u>	<u>10,000</u>
Funded by Department for Employment and Learning	<u>(3,663,558)</u>	<u>(533,816)</u>

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

The asset reserve represents funding set aside by the Board to address the requirement to maintain the property of the company but for which no obligation exists at the 31 March 2015.

Impact of the new FReM requirement

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

16 Revaluation reserve

	2015	2014
	£	£
Balance at beginning of year	24,000	-
Revaluation of buildings	(24,000)	24,000
Balance at end of year	<u>-</u>	<u>24,000</u>

17 Capital commitments

At 31 March 2015 authorised future capital expenditure amounted to £Nil (2014: £Nil). The company has no capital commitments at 31 March 2015 (2014: £Nil).

Notes to the financial statements for the year ended 31 March 2015 (continued)

18 Commitments under leases

At 31 March 2015 the company had annual commitments under non-cancellable operating leases expiring as follows. Total future minimum lease payments under operating leases are given in the table below for each of the following periods.

	2015	2014
	£	£
Buildings		
Not later than one year	22,256	36,660
Later than one year and not later than five years	-	-
Later than five years	-	-
	22,256	36,660

The Company does not have any finance leases.

19 Financial performance targets

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

20 Commitment to pension fund

The company operates a defined benefit pension scheme in the UK for its employees. The assets of the scheme are held separately from those of the company. Contributions to the scheme are charged to the Statement of Comprehensive Net Expenditure so as to spread the cost of the pension over employees' working lives with the company. The contributions to the main scheme are determined by a qualified actuary on the basis of triennial valuations using the Projected Unit Method. The latest full actuarial valuation was carried out as at 5 April 2013.

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

Legal and General Investment Management manage the funds on behalf of the Trustees. Mercer Limited has been appointed by the Trustees to act as their Administrators and Advisors on the operation of the Scheme. Mr Paul McCarron of Mercer Limited is the scheme actuary.

Change in benefit obligation

	31 March	31 March
	2015	2014
	£'000	£'000
Benefit obligation at beginning of year	16,614	16,194
Current service cost	301	382
Interest costs	781	739
Plan participants' contributions	233	228
Benefit payments from plan	(138)	(147)
Insurance premiums for risk benefits	(62)	(38)
Actuarial losses / (gains)	4,304	(744)
Benefit obligation at end of year	22,033	16,614

Notes to the financial statements for the year ended 31 March 2015 (continued)

20 Commitment to pension fund (continued)

Change in plan assets

	31 March 2015 £'000	31 March 2014 £'000
Fair value of plan assets at beginning of year	14,438	13,320
Expected return on plan assets	686	614
Employer contribution	600	604
Member contributions	233	228
Benefits paid	(138)	(147)
Administrative expenses paid	(90)	(90)
Insurance premiums for risk benefits	(62)	(38)
Return on plan assets (excluding interest income)	1,154	(53)
Fair value of plan assets at end of year	16,821	14,438

Amounts recognised in the statement of financial position

	31 March 2015 £'000	31 March 2014 £'000
Defined benefit obligation	22,033	16,614
Fair value of plan assets	16,821	14,438
Funded status - net liability	(5,212)	(2,176)

Components of pension cost

	31 March 2015 £'000	31 March 2014 £'000
Current service cost	301	382
Interest cost	781	739
Interest (income) on plan assets	(686)	(613)
Total net interest cost	95	126
Administrative expenses and taxes	90	90
Defined benefit cost included in the Statement of Net Comprehensive Expenditure	486	598
Total remeasurements included in other comprehensive income	3,150	(691)
Total defined benefit cost recognised in the Statement of Net Comprehensive Expenditure and other comprehensive income	3,636	(93)

Notes to the financial statements for the year ended 31 March 2015 (continued)

20 Commitment to pension fund (continued)

Net defined benefit liability (asset) reconciliation

	31 March 2015 £'000	31 March 2014 £'000
Net defined benefit liability (asset)	2,176	2,874
Defined benefit cost included in the Statement of Net Comprehensive Expenditure	486	598
Total remeasurements included in other comprehensive income	3,150	(691)
Employer contributions	(600)	(605)
Net defined liability as of end of year	5,212	2,176

Defined benefit obligation

	31 March 2015 £'000	31 March 2014 £'000
Benefit obligation by participant status		
Actives	13,398	9,864
Vested deferreds	7,030	5,259
Retirees	1,605	1,491
Total	22,033	16,614

Plan assets

	31 March 2015 £'000	31 March 2014 £'000
Fair value of plan assets		
Cash and cash equivalents	44	37
Equity instruments	8,698	8,153
Debt instruments	8,079	6,248
Total	16,821	14,438

Significant actuarial assumptions

Weighted average assumptions to determine benefit obligations at:

	31 March 2015 %	31 March 2014 %
Rate of increase in salaries	3.50	3.85
Rate of pension increases	2.90	3.25
Discount rate	3.40	4.65
Inflation assumption	3.00	3.35

Weighted average assumptions to determine defined benefit cost

	31 March 2015 %	31 March 2014 %
Discount rate	4.65	4.50
Rate of salary increase	3.85	4.35
Rate of pension increases	3.25	3.25
Inflation	3.35	3.35

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

61

Notes to the financial statements for the year ended 31 March 2015 (continued)

20 Commitment to pension fund (continued)

Assumed life expectancy on retirement at age 65

	31 March 2015	31 March 2014
Retiring today (member age 65)	20.9	20.9
Retiring in 20 years (member age 45 today)	22.7	22.6

Other required disclosure amounts

The contributions expected to be paid to the plan during the next financial year amount to **£621,000**

21 Related party transactions

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

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

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

		Balance due from DEL (ES)	Other Balances due from DEL	Retention monies due	Loan	Grants Received
Department for Employment and Learning						
31 March 2015	£	211,914	141,013	295,037	2,337,687	766,664
31 March 2014	£	256,453	96,191	281,187	2,337,687	795,259

Notes to the financial statements for the year ended 31 March 2015 (continued)

22 Emoluments of directors and senior management

	2014 - 15				2013 - 14			
	Salary £	Benefits in kind £	Pension Benefits £	Total £	Salary £	Benefits in kind £	Pension Benefits £	Total £
J Perry	6,299	-	-	6,299	5,929	-	-	5,929
A Bennett	1,610	-	-	1,610	1,838	-	-	1,838
G Adams	1,327	-	-	1,327	2,350	-	-	2,350
J Kelly	2,110	-	-	2,110	2,735	-	-	2,735
T Hinds	1,465	-	-	1,465	1,459	-	-	1,459
D Mackay	1,637	-	-	1,637	1,757	-	-	1,757
S Humphries	70,897	664	6,000	77,561	70,263	609	14,000	84,872
Highest Paid Official				77,561				84,872
Median Total Remuneration Ratio				1,637				2,350
				47.4				36.1

"Salary" includes gross salary; there were no bonuses paid; benefits in kind refer to an insurance premium which is subject to UK taxation.

23 Taxation

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

24 Events after the Reporting Date

There were no events after the reporting date which would require adjustment to the financial statements. The Annual Report and financial statements were authorised by the Accounting Officer to be issued on *2nd July* 2015.

Appendix 1

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

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

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

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

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

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

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

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

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

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

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

Appendix 1

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

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 Employment and Learning with the consent of DFP; and
 - (b) include a brief history of Ulster Supported Employment Limited and its statutory background.
- 2 The notes to the financial statements shall include details of the key corporate financial targets set by the Department together with the performance achieved.

Appendix 2

**Profit and loss account
for the year ended 31 March 2015**

	2015	2014
	£	£
Turnover (including grant income)	7,278,621	7,546,424
Operating expenses	(7,349,771)	(7,482,093)
Operating profit / (loss)	(71,150)	64,331
Interest receivable and similar income	15,846	5,157
Profit / (Loss) on ordinary activities before taxation	(55,304)	69,488
Taxation	-	-
Profit (Loss) on ordinary activities after taxation and retained loss for the year	(55,304)	69,488

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

This statement does not form part of the audited financial statements.