



University of Ulster Foundation

Financial statements

For the year ended 31 July 2006.

Company registration number: NI 31544

DEPARTMENT OF ENTERPRISE
TRADE AND INVESTMENT
COMPANIES REGISTRY

20 APR 2007

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University of Ulster Foundation

Directors' report and financial statements

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University of Ulster Foundation

Directors and other information

Directors

Dr G O'Hare (Chairman)
Ms C Aiken
Dr P Quinn
Mr J McGinnis
Professor R Barnett
Professor J Allen
Professor A Adair
Professor I Montgomery
Mr T Kelly

Secretary

Ms N Taggart

Solicitors

Carson McDowell
Murray House
Murray Street
Belfast
BT1 6DN

Auditors

KPMG
Stokes House
17/25 College Square East
Belfast
BT1 6DH

Bankers

First Trust Bank
31 High Street
Belfast
BT1 2AL

Registered office

Cromore Road
Coleraine
BT52 1SA

Company Registration Number

NI 31544

University of Ulster Foundation

Directors' report

The directors have pleasure in presenting their annual report and the audited financial statements for the year ended 31 July 2006.

Review of business

The level of business and the year end financial position were satisfactory. The directors expect that the present level of activity will be sustained for the foreseeable future.

Principal activity

The principal activity of the Company is to assist the University of Ulster expand its resources, teaching and research activities and contribute to the prosperity of Northern Ireland.

Trading results

The results for the period are set out on page 7 and the related notes.

Charitable contributions

The company made charitable donations of £3,209,006 (2005: £3,842,416) to the University of Ulster during the year ended 31 July 2006.

Directors and secretary

The following directors held office during the period:

Mr J Doman
Dr Brian O'Connor (Chairman up to January 2006)
Mr N Smyth (up to 27 October 2005)
Dr M Moloney (up to 27 October 2005)
Lord Diljit Rana
Ms C Aiken
Dr P Quinn
Dr G O'Hare (from 3 November 2005, Chairman from January 2006)
Professor R Barnett (from 23 June 2005)
Professor J Allen (from 6 September 2005)
Professor A Adair (from 21 November 2005)
Mr J McGinnis (from 1 June 2006)

University of Ulster Foundation

Directors' report *(continued)*

Directors' interests

No director had at any time during the period a material interest in any contract with the company that was significant in relation to the company's business.

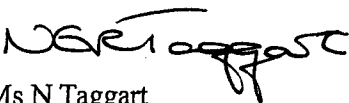
Disclosure of information to auditors

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware and the Directors have taken all the steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

A resolution for the re-appointment of KPMG as auditors of the company will be proposed at the annual general meeting.

On behalf of the Board


Ms N Taggart
Secretary

15 February 2007

University of Ulster Foundation

Statement of directors' responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with UK Accounting Standards.

The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the surplus or deficit of the Company for that period.

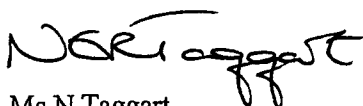
In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state where applicable UK 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 Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies (Northern Ireland) Order 1986. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors are also responsible for preparing a Directors' Report that complies with the Companies (Northern Ireland) Order 1986.

On behalf of the Board



Ms N Taggart
Secretary

15 February 2007

University of Ulster
Cromore Road
Coleraine

Independent auditors' report to the Members of University of Ulster Foundation

We have audited the financial statements of UU Foundation Limited for the year ended 31 July 2006 which comprise the Income and Expenditure Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Article 243 of the Companies (Northern Ireland) Order 1986. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

As described in the Statement of directors' responsibilities on page 4 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies (Northern Ireland) Order 1986. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

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

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report to the Members of University of Ulster Foundation

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 July 2006 and of its surplus for the year then ended; and
- have been properly prepared in accordance with the Companies (Northern Ireland) Order 1986.
- the information given in the directors' report is consistent with the financial statements.



KPMG
Chartered Accountants
Registered Auditors

15 February 2007

Stokes House
College Square East
Belfast
BT1 6DH

University of Ulster Foundation

Income and expenditure account Year ended 31 July 2006

	Note	2006 £	2005 £
Income			
Other operating income	4	3,238,950	3,819,005
Interest receivable	5	5,901	11,750
		<hr/>	<hr/>
Total income		3,244,851	3,830,755
		<hr/>	<hr/>
Expenditure			
Other operating expenses	6	3,213,883	3,906,174
		<hr/>	<hr/>
Total expenditure		3,213,883	3,906,174
		<hr/>	<hr/>
Surplus/(deficit) of income over expenditure		30,968	(75,419)
		<hr/>	<hr/>
Transfer to reserves	10	30,968	(75,419)
		<hr/>	<hr/>

There are no recognised gains or losses other than those dealt with in the income and expenditure account and consequently no statement of total recognised gains or losses has been presented.

All items dealt with in arriving at the results for the period relate to continuing operations.

The notes on pages 9 to 12 form part of these financial statements.

University of Ulster Foundation

Balance sheet
At 31 July 2006

	<i>Note</i>	2006 £	2005 £
Current assets			
Cash at bank		98,458	68,976
		<hr/>	<hr/>
		98,458	68,976
Creditors: Amounts falling due within one year	9	(19,369)	(20,855)
		<hr/>	<hr/>
Net current assets		79,089	48,121
		<hr/>	<hr/>
Total net assets		79,089	48,121
		<hr/>	<hr/>
Represented by:			
Reserves			
Income and expenditure account	12	79,089	48,121
		<hr/>	<hr/>

The financial statements were approved by the Board of Directors on 15 February 2007 and signed on its behalf by:

Dr G O'Hare
Chairman



The notes on pages 9 to 12 form part of the financial statements.

University of Ulster Foundation

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently, in dealing with items which are considered material in relation to the Company's financial statements except as noted below:-

- FRS 21 'Events after the Balance Sheet date';
- FRS 28 'Corresponding amounts'

In these financial statements the new standards above have been adopted for the first time.

(i) *Basis of accounting*

The financial statements are prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

(ii) *Recognition of income*

Income from donations is recognised when received.

(iii) *Cash flow statements*

The company is exempt, by virtue of paragraph 8a of Financial Reporting Standard 1, from the requirement to prepare a cash flow statement.

(iv) *Foreign currencies*

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at period end rates. The resulting exchange differences are dealt with in the determination of income and expenditure for the financial period.

(v) *Taxation status*

The company is an exempt charity within the meaning of Section 506 (1) of the Taxes Act 1988. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Section 505 of the Taxes Act 1988 to the extent that such income or gains are applied to exclusively charitable purposes. The company receives no similar exemption in respect of Value Added Tax.

2 Income

Income represents all receipts during the year from private donations.

Due to the nature of donated income, such income is not capable of control by the company before receipt by the company. However, financial controls are in place to ensure accurate recording and safeguarding of all income received by the company.

University of Ulster Foundation

Notes (continued)

3 Staff numbers and costs

There were no employees or staff costs during the current or prior period.

4 Other operating income

	2006 £	2005 £
Donations	3,238,950	3,819,005

5 Interest receivable

	2006 £	2005 £
Interest receivable	5,901	11,750

6 Other operating expenses

	2006 £	2005 £
Donations to University of Ulster	3,209,006	3,842,416
Audit fee	1,292	1,313
Other expenses	3,585	62,445
	<u>3,213,883</u>	<u>3,906,174</u>

7 Results for the period

The results for the period are stated after charging:

	2006 £	2005 £
Auditors' remuneration	1,292	1,313

University of Ulster Foundation

Notes (continued)

8 Remuneration of directors

No directors received emoluments during the period. No directors are accruing benefits under a money purchase scheme.

9 Creditors: Amounts falling due within one year

	2006 £	2005 £
Amounts owed to the University of Ulster	9,069	10,555
Accruals	1,300	1,300
Deferred income	<u>9,000</u>	<u>9,000</u>
	<u>19,369</u>	<u>20,855</u>

10 Income and expenditure account

	2006 £	2005 £
Balance at 1 August	48,121	123,540
Surplus/(Deficit) for the period	<u>30,968</u>	<u>(75,419)</u>
Balance at 31 July	<u>79,089</u>	<u>48,121</u>

University of Ulster Foundation

Notes *(continued)*

11 Capital commitments

There were no capital commitments contracted for but not yet provided in the financial statements at the year end.

12 FRS8 related party note

As the company is a 100% subsidiary of the University of Ulster, it has taken advantage of the exemption not to disclose transactions with other members of the Group headed by the University of Ulster.

13 Ultimate parent company

The directors regard the University of Ulster as the ultimate parent company. The consolidated financial statements of the University of Ulster are available to the public and may be obtained from the following address:

University of Ulster
Cromore Road
Coleraine
BT52 1SA