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**FINANCIAL STATEMENTS OF**

**UNIVERSITY OF ULSTER FOUNDATION**

**For the year ended 31 July 2007**

**Company Registration Number: NI 31544**

# University of Ulster Foundation

## Director's 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 2007.

### **Business Review and Principal Activities**

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.

The results of the Company show a surplus of £14,431 at the year end and total donations received of £2,897,271.

### **Future outlook**

We remain confident that we can maintain our current level of performance in the future.

### **Trading results**

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

### **Political and Charitable contributions**

The company made charitable donations of £2,877,907 (2006: £3,209,006) to the University of Ulster during the year ended 31 July 2007.

The company made no political donations in the year.

### **Directors**

The following directors held office during the period:

Mr J Dornan (resigned 15 February 2007)

Ms C Aiken

Dr P Quinn

Dr D S Rana (resigned 6 November 2006)

Dr G O'Hare

Professor R Barnett

Professor J Allen

Professor A Adair

Mr J McGinnis

Mr T Kelly (appointed 30 January 2007)

Dr B O'Connor (resigned 9 October 2006)

Professor J Montgomery (appointed 19 December 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**

31 January 2008

## **University of Ulster Foundation**

### **Statement of Directors' Responsibilities in Respect of the Directors' Report and the Financial Statements**

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 profit or loss 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 whether 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.

Under applicable law the directors are also responsible for preparing a directors' report that complies with that law.

On behalf of the Board



**Ms N Taggart**  
**Secretary**

31 January 2008



**KPMG**  
**Chartered Accountants**  
Stokes House  
17-25 College Square East  
Belfast BT1 6DH  
Northern Ireland

## **Independent auditors' report to the members of University of Ulster Foundation**

We have audited the financial statements of UU Foundation for the year ended 31 July 2007 which comprise the Income and Expenditure Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses 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**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 4.

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 whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 the 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.



**KPMG**  
**Chartered Accountants**  
Stokes House  
17-25 College Square East  
Belfast BT1 6DH  
Northern Ireland

**Independent auditors' report to the members of University of Ulster Foundation  
(continued)**

**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 2007 and of its profit for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies (Northern Ireland) Order 1986; and
- the information given in the directors' report is consistent with the financial statements.

**KPMG**  
*Chartered Accountants*  
Registered Auditor

31 January 2008

## University of Ulster Foundation

### Income and Expenditure Account Year Ended 31 July 2007

	Note	2007 £	2006 £
<b>Income</b>			
Other operating income	4	2,897,271	3,238,950
Interest receivable	5	9,829	5,901
Total income		<u>2,907,100</u>	<u>3,244,851</u>
<b>Expenditure</b>			
Other operating expenses	6	2,892,669	3,213,883
Total expenditure		<u>2,892,669</u>	<u>3,213,883</u>
Surplus of income over expenditure		14,431	30,968
Transfer to reserves	10	<u>14,431</u>	<u>30,968</u>

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.

There is no difference between the profits as reported under a historical cost basis for the period. Accordingly, no note of historical cost profit and loss has been prepared.

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

# University of Ulster

## Balance Sheet At 31 July 2007

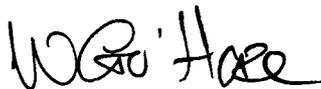
	Note	2007 £	2006 £
<b>Current assets</b>			
Cash at bank		162,881	98,458
		<u>162,881</u>	<u>98,458</u>
<b>Creditors: Amounts falling due within one year</b>	9	(69,361)	(19,369)
<b>Net current assets</b>		<u>93,520</u>	<u>79,089</u>
<b>Total net assets</b>		<u>93,520</u>	<u>79,089</u>

### Represented by:

#### Reserves

Income and expenditure account	10	<u>93,520</u>	<u>79,089</u>
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The financial statements were approved by the Board of Directors on 31 January 2008 and signed on its behalf by:-



**Dr G O'Hare**  
**Chairman**

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

# University of Ulster

## 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.

In these financial statements the new standards 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

## Notes (continued)

### 3 Staff numbers and costs

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

### 4 Other operating income

	2007 £	2006 £
Donations	<u>2,897,271</u>	<u>3,238,950</u>

### 5 Interest receivable

	2007 £	2006 £
Interest receivable	<u>9,829</u>	<u>5,901</u>

### 6 Other operating expenses

	2007 £	2006 £
Donations to University of Ulster	2,887,907	3,209,006
Audit fee	1,180	1,140
Other expenses	3,582	3,737
	<u>2,892,669</u>	<u>3,213,883</u>

### 7 Auditors' Remuneration

	2007 £	2006 £
Audit of these financial statements (ex VAT)	<u>1,180</u>	<u>1,140</u>

## 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

	2007 £	2006 £
Amounts owed to the University of Ulster	59,069	9,069
Accruals	1,292	1,300
Deferred income	9,000	9,000
	<u>69,361</u>	<u>19,369</u>

#### 10 Income and expenditure account

	2007 £	2006 £
Balance at start of the period	79,089	48,121
Surplus for the period	14,431	30,968
Balance at end of period	<u>93,520</u>	<u>79,089</u>

#### 11 Capital commitments

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

#### 12 Related party transactions

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

There is a cross guarantee in place between the University of Ulster and UU Foundation Limited with the Bank of Ireland for bank services.