

# knowledge

ANNUAL REVIEW OF ACTIVITIES 2003  
ANNUAL ACCOUNTS 2003





FOCUS is an all-island sales and marketing initiative, promoting all-island trade, identifying new market opportunities and delivering real sales for business on a cross-border basis.



Go-Source is a comprehensive guide for winning business in the public sector in Northern Ireland and Ireland. It offers advice on successful tendering, a directory of key contacts within the public sector and full online access.



The Irish Benchmarking Forum is the organisation chaired by InterTradeIreland, which was established to promote all-island collaboration and co-operation in the area of benchmarking and best practice



Digital Island is a policy framework which sets out a strategy to establish the island of Ireland as a world-class player in the exploitation of digital technologies, initially for business and economic development purposes but progressively into other spheres of activity such as education, health, culture etc.

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# Joint Ministerial Foreword

**MARY HARNEY TD, AN TÁNAISTE AND MINISTER FOR ENTERPRISE, TRADE AND EMPLOYMENT**  
**BARRY GARDINER MP, MINISTER FOR ENTERPRISE, TRADE AND INVESTMENT**

Market conditions on the island are constantly changing and it is essential that businesses adapt to those changes, discover new openings and meet higher customer expectations. Facilitating them in this task is InterTradelreland, with a remit to equip companies with the necessary knowledge, know-how and skills to identify and seize potential business opportunities on the island.

If the all-island economy is to develop to its full potential, companies in both jurisdictions must constantly innovate and seek better, more intelligent ways of doing business. The bottom line is that if businesses can successfully apply high-grade knowledge to commercial situations they can secure real competitive advantages.

It is in everyone's interest to unlock the potential for North/South trade and to promote competition. This will enhance economic prosperity and provide greater choice, better services and new opportunities. By making the most of all the opportunities that lie close to home, business will be in a better position to exploit those that lie further afield.

During 2003 InterTradelreland continued to be actively involved in assisting businesses to exploit the all-island market through its existing programmes and in developing and introducing new schemes and initiatives. Whether collaborating with existing agencies or building on the work that they carry out, InterTradelreland has acted to target business needs in every corner of the island.

We commend InterTradelreland for focusing on the value of knowledge and applying it to a wide range of business disciplines, from technology transfer to sales development, to the promotion of private equity and others as outlined in this Annual Report of its activities. We are also confident that the North/South collaborative networks which InterTradelreland is helping to create will enhance competitiveness, foster new all-island relationships and continue to have a practical impact on the day-to-day operations of businesses.

This has been a busy and successful year for InterTradelreland, highlights of which included the launches of Acumen, an all-island programme designed to stimulate cross-border trade, and expertiseireland.com, the island's on-line knowledge portal; initiatives which are already proving their worth to the business community. InterTradelreland is making a valuable contribution - opening the island for trade, and thereby helping businesses maximise commercial opportunities and identify new opportunities. It is our belief that the programmes and initiatives InterTradelreland is implementing will help ensure that the island's full economic potential will be realised.

We thank the Chairman, the Board, the Chief Executive and the staff for their dedicated contribution in the past year.



**Barry Gardiner MP**  
MINISTER FOR ENTERPRISE,  
TRADE AND INVESTMENT



**Mary Harney TD**  
AN TÁNAISTE AND MINISTER  
FOR ENTERPRISE, TRADE AND  
EMPLOYMENT

# Chairman's Introduction

The Americans have a saying that business is like a car: it will not run by itself except downhill. Running a successful business in today's global market is by no means an easy task. Competition has never been stronger, product life cycles have never been shorter and customer loyalty is more fickle than ever before.

In an environment where the only constant is the constant change of circumstance, businesses need continual attention. A business left to its own devices, set in the rut of practices suited to last year's marketplace, will not prosper for long.

At InterTradelreland we recognise that the pressures facing management teams in both Northern Ireland and the Republic of Ireland have never been stronger. We also recognise that it is definitely not our task to run other peoples' businesses for them.

InterTradelreland is a facilitator - here to make sure that local enterprises maximise the benefits of operating right across the island. By fostering competitiveness at home, it is our conviction that businesses will be better placed to tackle the global market.

Just as businesses cannot afford to live off the success of old strategies, development agencies must also continue to innovate, add value and respond to changing market conditions. This is InterTradelreland's fourth Annual Report and it reflects our most active year to date. With a full complement of staff now bedded in, InterTradelreland has been able to bring a series of new programmes and initiatives to life.

One way InterTradelreland can facilitate businesses is by growing awareness of the business opportunities on the island. At its most fundamental level, that means being aware of trends in trade flows and industrial output between North and South.

Surprisingly, although official short-term production figures have been available in the Republic of Ireland and Northern Ireland, these have never been drawn together into a consistent and comparable format - until now. For the first time ever, InterTradelreland's Quarterly Trade and Production Monitor is providing a detailed update on how the island economy is performing.

As well as providing a baseline to measure trade across the island, the monitor is enabling individual businesses to benchmark their performance against others in their sector and is also providing policy makers with a comparative analysis of the two neighbouring economies.

With the all-island market doubling in the last decade to a value of almost £2.07bn/€3bn, it is vitally important that we understand cross-border trade flows and the various sectoral dynamics.

This strategic angle to InterTradelreland's work has also been expressed through the production of a series of policy reports taking a detailed look at the workings of some of the most important sectors on the island. By uncovering and highlighting this knowledge, InterTradelreland is helping shape an environment where businesses and policy makers can make informed decisions that will enhance performance and facilitate growth. Reports published during 2003 included analysis on the state of the island's biotech, construction, air transport and manufacturing sectors.

Of course, InterTradelreland's work is not confined to high level strategy papers - most of our activity focuses on initiatives designed to help individual businesses make a direct impact upon their bottom line. Even the most cursory glance through the Annual Report will demonstrate the breadth and depth of this work.

All this activity doesn't happen by chance and on behalf of the Board, I want to acknowledge the executive management team and staff for all their achievements this year. I'd also like to welcome some new faces to the InterTradelreland board: Trefor Campbell, John Fitzgerald and Jack Gilmour. I have no doubt that their collective experiences will make a significant contribution to InterTradelreland in the years to come.

Finally, as I have been talking about facilitating, it would be remiss not to formally note InterTradelreland's gratitude for all the facilitation and assistance that we have received from our sister development agencies and in particular, An Tánaiste Mary Harney TD, Minister for Enterprise, Trade and Employment, and Ian Pearson MP, Minister for Enterprise, Trade and Investment. (Ian Pearson assumed responsibility for the Department of Enterprise, Trade and Investment during the calendar year 2003).

At a time when managing a business has never been harder, doing business on this island has never been easier. InterTradelreland is here to make sure that no opportunity is lost.



**Dr Martin Naughton**  
CHAIRMAN

## Chief Executive's Message

InterTradelreland is a unique organisation. I can't think of a similar body on the island that covers such a wide geographical or sectoral spread. Our initiatives are accessed by companies, large and small, from every corner of the island and they touch upon business functions from finance to product development to sales support.

It is fascinating to work on a daily basis with business people drawn from every county in the Republic of Ireland and Northern Ireland. However, although the accents may change, the issues they face and the areas where they require assistance are universal.

One of those areas is cross-border sales development. SMEs told us that a lack of resources, market information, business contacts and distribution problems were preventing them from fully engaging in cross-border trade. Our response was InterTradelreland Acumen, with targets to create new sales worth £71m/€102.7m and 500 extra jobs.

Acumen seeks to overcome sales barriers by helping SMEs identify, create and develop new cross-border business opportunities, achieving new sales and building sustainable business growth. It helps SMEs access professional sales consultancy and supports sales/marketing activity dedicated to the cross-border market.

Of course, a sales programme suggests that a company has a finished product or service to bring to market. However, for many companies the issue is how can it secure the finance to bring its product to market in the first place?

In light of the growing importance that private equity financing plays in a modern knowledge economy, InterTradelreland established EquityNetwork to address the issue and the relatively low uptake of private equity on the island.

One area which quickly came to light was the difficulty that many entrepreneurs encountered trying to secure seedcorn capital in the £52k/c€75k to £259k/c€375k range. To tackle this, EquityNetwork developed the All-Island Seedcorn Competition to raise awareness of the issue, and alert funders and those seeking funding, of the opportunities available.

The competition was an unqualified success with almost 200 detailed business plans submitted. After a hard fought battle, Cork-based Luxcel Biosciences picked up the £69,500/c€100,000 top prize and seven other regional finalists shared £83,400/c€120,000. The excitement generated by the competition is helping pump prime interest in the sector again.

In addition to financing and sales development, companies in our increasingly knowledge-based economy need access to R&D expertise - a course of action normally denied to smaller businesses. InterTradelreland is helping in two ways. In September 2003 we announced the expansion of FUSION, the three-way technology transfer partnership between business, academia and high calibre graduates.

Such was the success of the pilot scheme (the first six partnerships alone generated sales and efficiencies worth £3.9m/€5.7m) that FUSION has been extended to create 130 island-wide partnerships delivering high class academic R&D directly to the frontline of businesses with specific technology projects.



The Acumen Committee at a recent meeting in Newry.



InterTradelreland Operations Manager Julie Jordan at the FUSION Networking Event at W5.



Martin Naughton, Chairman InterTradelreland; Prof Ferdinand Von Prondynski Dublin City University; and Minister Michael Aherm TD, Minister for Trade and Commerce at the Department of Enterprise, Trade and Employment attend the launch of the expertiseireland.com portal in Dublin.

InterTradelreland is also helping foster the new economy with expertiseireland.com, a sophisticated online portal to boost collaborative R&D activity by encouraging better links between business and academia. A joint venture between InterTradelreland and the Conference of Heads of Irish Universities, expertiseireland.com is unique in Europe. It is the only 'one stop shop' for those interested in commercialising research from the island's academic institutions.

These are but three aspects of InterTradelreland's activities. Other initiatives include the All-Island Trade, Innovation and Design Awards - all showcasing and rewarding local businesses which are making (and receiving) significant contributions care of the island economy.

This year also saw InterTradelreland host the first all-island Competitiveness Forum in conjunction with the National Competitiveness Council and the Centre for Competitiveness (attended by the

President of the US Council on Competitiveness) and the continued development of programmes dealing with Supply Chain Management and Supplier Education to encourage access to the island's £11bn/€15.9bn public procurement market.

Businesses operate in a multi-faceted economy and as a consequence, InterTradelreland is multi-faceted in its approach. The diversity of our programmes is evidenced throughout this report. We know that there is much scope for doing business on this island - our aim continues to be that InterTradelreland makes that potential a reality for as many companies as possible.



**Liam Nellis**  
CHIEF EXECUTIVE



## Board Members 2003/2004



**MARTIN NAUGHTON**  
CHAIRMAN OF  
INTERTRADEIRELAND

Dr Naughton is the founder, Executive Chairman and major shareholder of the privately owned Glen Dimplex Group which has 6 manufacturing companies in Ireland, North and South. The Group also manufactures in the UK, Germany, Canada and France.

Dr Naughton is an engineer who was educated in Dundalk, Co Louth and Southampton, England. He was granted Honorary Doctorates by UCD, TCD, QUB, UU and Notre Dame, USA. He is also trustee of Notre Dame College. He is a member of the Council of State in Ireland and served on the Industrial Development Board for Northern Ireland between January 1996 and January 2000.



**BARRY FITZSIMONS**  
VICE CHAIRMAN OF  
INTERTRADEIRELAND  
CHAIRMAN OF EQUITYNETWORK

Barry Fitzsimons is Senior Director of Cunningham Coates Stockbrokers and has been associated with Cunningham Coates Stockbrokers all his working life, becoming a member of the Stock Exchange in 1978 and a partner in Josias Cunningham & Co shortly after. He is a Member of the Securities Institute (MSI) and is an active manager of a 150 acre beef and sheep farm at his home in Co Down. He is a member of the Advisory Committee of the NI Central Investment Fund for Charities, Vice-Chairman of Lagan Valley Constituency Association and also sits on the Executive of the Ulster Unionist Party.



**MARY BRESLIN**

Mary Breslin is a Partner in Waterville Properties and non-executive Chairman of Cer-con Ltd, a design - build consortium involved in industrial and commercial projects. She is the former Managing Partner of Total Engineering, a Fellow of the Institution of Mechanical Engineers and an Associate Member of the Chartered Institute of Marketing.

Mary is Chairman of Londonderry Port and Harbour Commissioners, Patron of Women in Enterprise, a member of the Business in the Community North West Leadership Team and serves on CBI Northern Ireland Business and Economic Affairs Committees.



**FEARGAL MCCORMACK**

Feargal McCormack is Managing Partner of FPM Chartered Accountants, located in Newry and Dundalk, who specialise in cross-border business. He is a member of the Board of EquityNetwork and was the Chairman of the Ulster Society of Chartered Accountants (2002/3). As Managing Partner of FPM, Feargal has had lead responsibility for developing FPM since its inception in 1991. Feargal is also accredited with playing a central role in the economic regeneration of Newry and Newry's successful bid for city status.



**JACKIE HARRISON**

Jackie Harrison is Director of Projects for the IBEC-CBI Joint Council. She previously held positions as Director of Social Policy and Director of Enterprise in the Irish Business and Employers Confederation.

Jackie is also a former Director of the Ireland France Chamber of Commerce and was nominated as Chevalier in the Ordre National de Mérite in October 2001. She was a member of the National Competitiveness Council from 1998 to 2003 and is currently a Board member of the Digital Hub.



**MARY AINSCOUGH**

Mary Ainscough is Director of Equality at Dublin City University. She is a graduate of Trinity College, Dublin, with a degree in English and Philosophy and a Masters in Management Science. She studied law at the Incorporated Law Society of Ireland, where she qualified as a solicitor. She began her career with the IDA in New York, marketing Ireland as a location for inward investment in the IT sector. On her return to Ireland she practised law specialising in aspects of labour and employment law.

Mary has worked at the School of Business Studies, Trinity College and with the Irish Management Institute, as a Lecturer in Organisational Psychology. She is a former Chief Executive of the American Chamber of Commerce in Ireland.





### CARL McCANN

Carl McCann is Vice-Chairman of the fresh produce company Fyffes. He joined Fyffes in 1980 and was appointed as Finance Director in 1983. He became Vice-Chairman in 1988 and is responsible for the company's acquisition programme. He attained a Bachelor of Business Studies from Trinity College, Dublin and is a Chartered Accountant. He worked for Chartered Accountants KPMG before joining Fyffes.



### ROBBIE SMYTH

Robbie Smyth is currently Sinn Féin's General Secretary. He was formerly the research and policy development manager for the party in Leinster House and in addition has been a staff journalist at An Phoblacht Republican News writing on economic, social and political affairs since 1991. Robbie was also, until September 2002, the deputy head of the Journalism and Media Communications Faculty at Griffith College Dublin.



### JOHN FITZGERALD

John Fitzgerald was appointed Dublin City Manager in mid 1996. He qualified as an accountant while working in industry and then moved to Cork Corporation as City Finance Officer. He subsequently took up duty as Dublin City Treasurer and moved to the position of Dublin Assistant City and County Manager immediately prior to the reorganisation of Local Government in Dublin.

He was one of the three managers involved in the formation of the three new Dublin Counties and was appointed first County Manager with South Dublin County Council in January 1994. He is Chair of the steering group which prepared and monitors the strategic planning guidelines for the greater Dublin area.

He contributes to the work of a number of agencies involved in the promotion of Local Government in the Dublin region and nationally.



### TREFOR CAMPBELL

Trefor Campbell joined Moy Park's former holding company, Moygashel Limited, in 1960 and moved through the ranks at Moy Park to become Managing Director in 1983. He has been largely responsible for the growth and consolidation of the company and led a management buyout of Moy Park in 1984. He is now becoming increasingly involved in OSI Group strategy across Europe.

His interest in the development of the Northern Ireland food industry extends beyond his own business as he is involved in various capacities in several organisations aimed at improving marketing, training and quality improvement in industry.

He is Deputy Chairman of the Queen's University Enterprise Board. He is a Fellow of the Royal Agricultural Societies and a Fellow of the Royal Society for the Encouragement of Arts, Manufacturers and Commerce. He is an Honorary Vice President of the Institute of Food Science and Technology, a Board Member of the Centre for Competitiveness, a Director of the British Poultry Council, a Trustee of the Northern Ireland Assembly and Business Trust and a member of the Education and Training Affairs Committee of the CBI. He was Chairman of the 2010 Food Processing Group and a former Board Member of Business in the Community.

He was the first Chairman of the Northern Ireland Food and Drink Association and has served on both the Board of Food From Britain and the Industrial Development Board and he was also awarded an OBE for his services to the food industry.

In 1998, he was awarded an Honorary Doctorate from Queen's University Belfast and in 2000 he was awarded the CBE.



### INEZ McCORMACK

Inez McCormack was the first woman officer appointed by NUPE in 1976. Previously active in the civil rights movement and qualified as a social worker. She is NI Regional Secretary of Unison, the largest public service union in the UK and was the first woman to be elected as President of the Irish Congress of Trade Unions (1999-2001). She chairs the ICTU North-South Anti Racism Task Force.

Inez was a founder member of the Equal Opportunities Commission and the Fair Employment Agency. She served as Deputy Chair of the EOC from 1978-1988. In 1999 she was appointed to the Northern Ireland Human Rights Commission.

She has received a number of international awards in similar recognition including the 'Eleanor Roosevelt Award' from the City of New York. She has also received the 'Person of the Year' Belfast Community Award and the 'Inclusive Ireland Award' from the South Inner City Dublin Development Association.



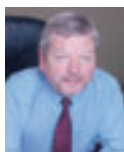
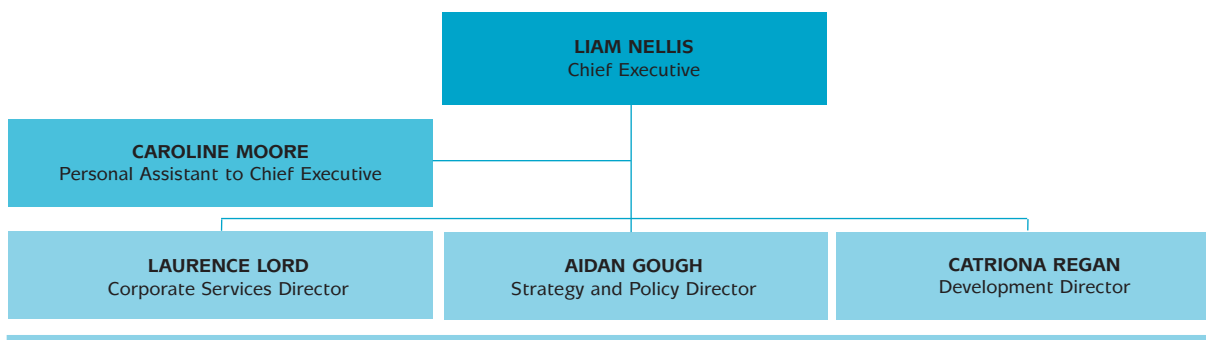
### JACK GILMOUR

Jack Gilmour started his working life in a commercial printing company. This was a family controlled firm. When this was sold, he moved into another existing family business of public houses in 1970. At the end of the 1970's he was in charge of the day-to-day operation of three businesses. Through a further acquisition he greatly enlarged the group turnover and increased the number of employees to 110. He then sold his interest in these public houses and retired for a couple of years. In 1992 he purchased his present establishment situated on the southern outskirts of Belfast, at Upper Malone, where he currently employs twenty five people.



# Organisation and Recruitment

## Chief Executive and Directors



**LIAM NELLIS**  
Chief Executive

Liam has been with the Northern Ireland Civil Service since 1973. He obtained a Law Degree from the University of London and a Masters in Social Policy, Planning and Administration from the University of Ulster. He spent his early career in the Department of Health and Social Services before joining the Department of Economic Development (DED) in 1984. From then on he was involved in labour market, tourism and small business policy issues until 1990 when he was seconded to establish and head up NI-CO, the public sector marketing company. In 1997 he joined IDB where he was Executive Director responsible for Inward Investment until he accepted a further secondment to set up and head the Trade and Business Development Body. He was confirmed as CEO of InterTradeIreland in November 2000.



**CAROLINE MOORE**  
Personal Assistant  
to Chief Executive



**LAURENCE LORD**  
Corporate Services Director

A Chartered Management Accountant and MBA, Laurence comes from a background in organisational development and financial management. He has worked extensively on institutional strengthening projects in Australia and Africa as well as within the Irish commercial sector.



**AIDAN GOUGH**  
Strategy and Policy Director

Aidan is responsible for developing the strategic direction of InterTradeIreland as it seeks to deliver its legislative mandate. He is a graduate of Queen's University Belfast with an MBA and MSC in Economics. Prior to joining InterTradeIreland, Aidan was Director of the Northern Ireland Economic Council.



**CATRIONA REGAN**  
Development Director

Catriona is responsible for developing and delivering a wide range of initiatives aimed at increasing cross-border trade and business. Catriona is a graduate of Queen's University Belfast and was previously head of the Civic Forum Secretariat.



## InterTradelreland Staff as at March 2004



### OPERATIONS DIRECTORATE

#### BACK ROW L-R

**Siobhan McCauley** Deputy Operations Manager  
**Lisa O'Neill** Administrative Officer  
**Paddy Savage** Operations Manager  
**Karen Delgado** Deputy Operations Manager  
**Pat McLoughlin** Operations Manager  
**Nicola McGuinness** Operations Executive  
**Margaret Hearty** Operations Manager

#### FRONT ROW SEATED L-R

**Jenny Williamson** Deputy Operations Manager  
**Catriona Regan** Development Director  
**Julie Jordan** Operations Manager  
**Bernie Doran** Operations Executive  
**Grant Gilmore** Operations Manager  
**Denise McCreesh** Administrative Officer

#### NOT PICTURED:

**Gary Stokes** Deputy Operations Manager  
**Dianne Fee** Deputy Operations Manager  
**Una McGinn** Student Placement  
**Grainne Lennon** Deputy Operations Manager



### STRATEGY & POLICY DIRECTORATE

#### BACK ROW L-R

**Dermot O'Doherty** Senior Advisor  
**Anne McMinn** Administrative Officer  
**Eoin Magennis** Information Executive  
**Isabel Willerton** Policy & Planning Executive  
**Marion McAneney** Science & Technology Manager

#### FRONT ROW SEATED L-R

**Rachel Mullen** Student Placement  
**Aidan Gough** Strategy & Policy Director  
**Orla McGlennon** Project Appraisal Manager

#### NOT PICTURED:

**Harry Hamill** Policy & Planning Manager  
**Aidan Monaghan** Monitoring Officer  
**Eileen McGloin** Policy Research Manager  
**Bernie McGahon** Science & Technology Manager



## CORPORATE SERVICES DIRECTORATE

### BACK ROW L-R

**Joanne Stewart** HR Manager  
**Patricia Doran** Receptionist  
**Suzanne Doran** Communications Manager  
**Brian Cleland** IT Manager  
**Caroline Moore** PA to Chief Executive  
**Christine Currie** Finance Executive  
**Bronagh Morgan** Administrative Officer  
**Carrie Small** Administrative Officer

### FRONT ROW SEATED L-R

**Shelley Moore** Communications Executive  
**Laurence Lord** Corporate Services Director  
**Gerry Campbell** Premises Manager

### NOT PICTURED:

**Paula Butler** HR Executive

## Recruitment Analysis January - December 2003

The Body continued to recruit its full complement of permanent staff. During 2003 the following posts were filled:-

- Operations Manager
- Policy & Planning Executive
- Deputy Operations Manager - Private Equity (2)
- Science & Technology Manager
- Deputy Operations Manager (2)
- Receptionist
- IT Manager

All the vacancies were advertised across the island of Ireland and attracted substantial interest with over 180 applications returned. Applications were of a high calibre and had a wide representation in terms of gender, community background and North/South origin.

The target headcount for the Body is 42 permanent members of staff and the actual headcount on 31 December 2003 was 41 staff comprising 40 permanent staff and 1 secondee (from Forfas).

GRADE	NO
CEO	1
Directors	3
Managers	14
Deputy Managers	7
Executive	9
Administrative	6
<b>TOTAL</b>	<b>40</b>

Breakdown of permanent staff on 31 December 2003 by grade



# INTERTRADEIRELAND STRATEGY



# InterTradelreland Strategy

InterTradelreland's Mission is to lead the development of the island economy through distinctive knowledge-based interventions that will produce significant returns in the area of cross-border trade and business development.

Our initiatives do not aim to subsidise but to promote competition, eliminate barriers and to realise external effects of knowledge and technology through the development of all-island networks. These factors combine to affect the types of measures which can be employed to describe the impact of InterTradelreland's strategies and interventions, because they do not all lend themselves easily to simple quantitative measurement.

InterTradelreland has defined three discrete types of Intermediate Impact Measures to satisfy the imperative to ensure that the public resources, which are expended, deliver value for money in ways which align with the organisation's legislative remit and strategic goals. InterTradelreland's Intermediate Impact Measures are designed to report against the organisation's Strategic Goals as set out in the 2002-2004 Corporate Plan.

INTERTRADEIRELAND IMPACT MEASUREMENT MODEL				
STRATEGIC GOALS	AREAS OF ACTIVITY	INTERMEDIATE IMPACTS	END IMPACTS	CONTEXTUAL INDICATORS
<p>To develop the capability of businesses to trade within the island economy,</p> <p>by:</p> <ul style="list-style-type: none"> <li>increasing the quality and quantity of knowledge and information on the dynamics of cross-border trade and business development</li> <li>improving the flow of, and the access to, relevant knowledge and information between stakeholders in the two jurisdictions to facilitate business and economic policy decisions.</li> </ul>	<ul style="list-style-type: none"> <li>Trade Development</li> <li>Trade Awareness</li> <li>Micro-Enterprise Support</li> <li>Business &amp; Economic Research</li> <li>Private Equity</li> <li>Science &amp; Technology</li> <li>Benchmarking</li> <li>Supply Chain &amp; Cluster Development</li> </ul>	<p><b>TYPE 1 - Knowledge Capital</b></p> <ul style="list-style-type: none"> <li>Research projects</li> <li>Publications</li> <li>Policy recommendations</li> <li>Business enquiries</li> </ul> <p><b>TYPE 2 - Knowledge Channels</b></p> <ul style="list-style-type: none"> <li>North/South partnerships</li> <li>North/South facilities</li> <li>All-island networking events</li> </ul> <p><b>TYPE 3 - Knowledge Carriers</b></p> <ul style="list-style-type: none"> <li>Value of trade and business development interventions</li> <li>Increased number of companies with capability/propensity to engage in all-island business ventures</li> </ul>	<ul style="list-style-type: none"> <li>Increase in North/South trade</li> <li>Increase in number of companies engaged in formal cross-border business ventures</li> <li>Increase in number of all-island networks</li> <li>Increase in business 'flows' - air, rail, road, electronic data, job movers</li> </ul>	<ul style="list-style-type: none"> <li>Economic growth - ROI, NI, UK, EU, OECD</li> <li>Currency fluctuation</li> <li>Inward investment</li> <li>R&amp;D Investment in the two economies</li> <li>Investment in S&amp;T/ICT infrastructures</li> <li>Education and skills</li> <li>Investment in physical infrastructures</li> <li>Company propensity to invest in opening new markets</li> </ul>

PROFESSOR STEPHANE GARELLI, INTERNATIONAL INSTITUTE FOR MANAGEMENT DEVELOPMENT IN LAUSANNE, ONE OF THE KEYNOTE SPEAKERS AT THE ALL-ISLAND COMPETITIVENESS FORUM IN LIMERICK.



### STRATEGIC GOALS

InterTradelreland, as one of the six cross-border bodies established under the Good Friday Agreement, has described its Mission and its Strategic Goals in the 2002-2004 Corporate Plan. InterTradelreland's Mission is to lead the development of the island economy through distinctive knowledge-based interventions that will produce significant returns in the area of cross-border trade and business development. InterTradelreland's two Strategic Goals within the life of the 2002-2004 Corporate Plan are:

1. To develop the capability of businesses to trade within the island economy by increasing the quality and quantity of knowledge and information on the dynamics of cross-border trade and business development.
2. To develop the capability of businesses to trade within the island economy by improving the flow of, and access to, relevant knowledge and information between stakeholders in the two jurisdictions to facilitate business and economic policy decisions.

Knowledge is the Key. We define knowledge as that sum of economic and business information and the technical and commercial expertise which will accelerate the generation and exploitation of ideas to deliver significant trade and business development benefits to businesses in the two economies.

To help translate our strategy into action we have defined three linked knowledge domains.

- **Knowledge Capital** is the stock of knowledge and information which is required to facilitate sound business decisions and evidence-based policy making.
- **Knowledge Channels** are the essential conduits and networks through which knowledge is carried across the border and across the island, linking businesses with each other and with fundamental knowledge resources.
- **Knowledge Carriers** are the individuals, institutions and the direct contact mechanisms which facilitate the transfer of tacit knowledge into the working environments of businesses.

InterTradelreland has three Intermediate Impact Measures, which are aligned with the knowledge domains, and which relate directly to the achievement of our strategic goals. Our achievements for 2003 are detailed in this Report.

## KNOWLEDGE CAPITAL IMPACT MEASURE

### THE CREATION OF NEW KNOWLEDGE RESOURCES.

The generation of new knowledge which is created and disseminated to policy makers and businesses across the island to improve decision-making in these communities.

- Publications issued
  - Business and economic research projects completed
  - Policy recommendations made
  - Advice provided to businesses, development agencies and policy makers
- 

## KNOWLEDGE CHANNELS IMPACT MEASURE

### THE ESTABLISHMENT OF NORTH/SOUTH COLLABORATIVE PARTNERSHIPS AND FACILITIES.

The creation and development of all-island collaborative partnerships, and the creation and delivery of all-island business facilities. The fundamental drive for these activities is to improve the cross-border business environment and increase the opportunities for increased levels of trade and business development activity

- Number of North/South partnerships established/developed
  - Number of North/South facilities created/delivered
  - Number of all-island events delivered
- 

## KNOWLEDGE CARRIERS IMPACT MEASURE

### THE VALUE OF TRADE AND BUSINESS DEVELOPMENT ACTIVITY ACHIEVED AS A DIRECT RESULT OF INTERTRADEIRELAND INTERVENTIONS.

The value of InterTradelreland activities which directly generate increased levels of trade, or specific types of business development between businesses and other partners across the island, and the increased number of businesses who have an improved capability or propensity to trade through interaction with InterTradelreland.

- Aggregated value of InterTradelreland trade and business development interventions
- Number of companies with an increased capability/propensity to engage in cross-border trade and business ventures

End Impacts reflect the medium to longer-term impact of InterTradelreland programmes and initiatives. The most significant End Impacts are increases in North/South trade, an increased number of companies engaged in formal cross-border business ventures and an increased number of all-island networks. InterTradelreland is developing those systems which will produce data to provide for accurate definitive measurement of trade and business development activity between the two jurisdictions. Contextual Indicators describe those factors which strongly influence End Impact measures and which are outside the control of InterTradelreland. These factors include currency fluctuations and broader economic performance at Regional, National and Supra-National levels.

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**SUMMARY OF OPERATING PLAN  
AND PERFORMANCE REPORT 2003**



# Summary of Operating Plan and Performance Report 2003

## InterTradelreland delivered its activities in accordance with its approved Operating Plan for 2003

InterTradelreland's 2003 Operating Plan describes activity within eight Priority Programme Areas, and within those areas individual projects were designed and implemented towards the achievement of our two strategic objectives as expressed in our 2002-2004 Corporate Plan, and set out above.

### Priority Programme Areas:

Trade Development

Trade Awareness

Micro-Enterprise Support

Business & Economic Research

EquityNetwork

Science & Technology

Benchmarking

Supply Chain Development

Within these Priority Programme Areas are individual projects such as;

- FUSION - providing for technology transfer across the island between companies and third-level research institutes
- the EquityNetwork project which is developing awareness and exploitation of private equity to fund company growth
- the North/South Trade Statistics report and sectoral reports within our Business and Economic Research programme
- FOCUS - supporting all-island market development for companies
- Cross-Border Trade Guidelines which provide definitive financial and legal data for companies trading on an all-island basis
- the All-Island Competitiveness Forum which addressed for the first time the island's competitive position in the fields of skills, research and innovation
- the creation of the expertiseireland.com research and development portal, in collaboration with the universities on the island
- the upgrading of the go-source.com public procurement directory, and
- several series of buyer-supplier events have delivered real benefits to the business community through the creation, the dissemination and the exploitation of knowledge.



## KNOWLEDGE CAPITAL IMPACTS

THE CREATION OF NEW KNOWLEDGE RESOURCES.

- 10 research projects completed
- 11 publications issued
- 6 sets of policy recommendations
- 610 external queries satisfied

### All-Island Business Competitiveness Model

InterTradelreland commissioned work from the Economic and Social Research Institute and the Northern Ireland Economic Research Centre to assist with the development of an All-Island Business Competitiveness Model. An important component of this work is the need to address the substantial difference that exists in the two official measurements of trade between North and South. The first phase of this project, comprising work reconciling trade statistics and a North/South comparison of manufacturing growth and competitiveness was completed in March 2003.

### North/South Trade:

#### A Statistical Ground-Clearing Exercise

The report addresses the need for a greater understanding of cross-border trade flows. Developing this understanding within a North/South context is complicated by the existence of three official sources of statistics on trade across the shared border. In an ideal world, the three sources would be derived on the same basis, cover the same range of variables and conform to fixed international standards. However, this is not the case, with the result that some confusion exists over fundamental issues such as the quantum of North/South trade flows, the balance of trade between the North and the South and the sectoral composition of such trade.

This report clears the ground of the confusion that surrounds these basic issues, as far as it is possible within current data collection procedures. It uncovers the definitional and methodological differences that account for the apparent inconsistencies between the three official data series and allows a reliable baseline indicator to be established against which future movements can be assessed.

### InterTradelreland Trade and Production Monitor

This new InterTradelreland publication is now published on a quarterly basis, with 4,000 copies issued to businesses and 1,000 to the economic development agencies, research organisations, universities and government departments across the island. In addition to providing a baseline measure for North/South trade, it will also outline trends in production. These trends enable individual businesses to benchmark their performance against others in their industry at a glance, and provide policy makers with a comparative analysis of the two neighbouring economies.

### 'Mapping the Bio-Island: A North/South Study of the Private Biotechnology Sector'

In 2002 a survey of the private sector biotechnology research capability was completed. The study had two related objectives: to identify the stock, scale and locations of biotechnology companies on the island, and to explore the opportunities to build biotechnology communities/collaborations between companies and to make the island a 'smart place' to locate. From the study it is quite clear that there is a strong aspiration to grow more biotechnology companies on the island, with the governments, the universities and industry showing a zealous desire to establish a stronger platform for research and development. This should help lead to a more distinct culture of collaboration between the key players and help to permanently establish a biotechnology sector on the island. The report was launched in March 2003, with 500 copies issued to key players in the sector.

### 'Toward Mutual Recognition of Qualifications on the Island - An Information Piece'

InterTradelreland, in consultation with relevant bodies North/South (N/S), recognised a need to develop an N/S qualifications mapping framework. A scoping study was undertaken to establish the current state of N/S qualifications mapping. The initial research identified that changes are currently being made to the qualifications frameworks North and South and that it would therefore be sensible to defer a full N/S qualifications mapping project until the new system in each jurisdiction has become embedded. The report was sent to 85 key people involved in the areas of skills and accreditations, covering Admissions Officers, training agencies and specialists in the area of qualification. Feedback on the report has been universally positive as to the idea of moving towards a mutual recognition of qualifications and some suggestions as to linkages and initiatives to realise this objective.

### **Air Flights Research Project**

The research component of the Air Flights project was completed during the first quarter of 2003. The research identified a latent demand for cross-border air flights, and that the current limited availability of such services leaves a significant gap in the range of transport facilities of vital importance to cross-border business development. The research, which included a survey (750 respondents) and consultations (43 respondents), revealed considerable demand for air services between Northern Ireland and a range of locations within the Republic of Ireland, particularly between Belfast and Cork/Dublin/Shannon. In the interim period two services were established, Belfast-Dublin and Cork-Belfast, by two different operators. Both services have been discontinued, for different reasons, but the data in the research report remains an important resource towards the possible future establishment of other services, which are still seen to be important resources for the development of cross-border business links.

### **Sponsorship of the Hot Origin Report, 'Ireland's Software Cluster: Winning Sales - Lessons from the Frontline'**

InterTradelreland was a sponsor for the research and publication of this report for a second year, in a sector which is recognised across the island for its strategic importance. Our sponsorship was used to allow for the extension of the scope of the report from Republic of Ireland coverage to all-island coverage. The report which described the landscape of Ireland's software cluster in Northern Ireland and the Republic of Ireland and assessed the future potential of research and development activity, was launched in April 2003, with 1,200 copies issued to key players in the sector.

### **Competitiveness Forum Report**

This report detailed the outcomes of the first All-Island Competitiveness Forum which was held in February 2003. In addition to a summary of the speakers' addresses and delegate feedback, the report contained a Summary of Issues and Policy Recommendations under the following headings:

- Venture Capital for New Enterprises
- Business Clusters and Networks
- Lifelong Learning
- Knowledge Economy
- Infrastructure and Spatial Strategy
- Regulatory Issues

The report was circulated to government departments, councils and development agencies to allow for a wider debate on the issues and recommendations.

### **'A Review of the All-Island Construction Sector'**

This report identifies the key strategic and operational strengths and weaknesses of the industry, and suggests developmental opportunities for the construction industry from an island-wide perspective. The report is a central point of reference for the sector, highlighting market trends, opportunities and barriers to development and co-operation in a cross-border context that exist or may potentially exist, for the benefit of both economies. A number of recommendations are proposed to help the industry realise its potential under the current economic conditions, aimed at both the private sector (for implementation at individual company level) and the public sector.

### **Cross-Border Case Studies**

A number of new Case Studies have been completed and published on the InterTradelreland website. They were commissioned to demonstrate examples of effective cross-border co-operation and showcase best practices in order to encourage participation in cross-border trade. Each case study summarises a company's view on issues associated with cross-border trade, including derived business activities/synergies, barriers and opportunities. The case studies cover one large and one SME firm from the following sectors:

- Food and Drink - C&C Ireland and Doherty Meats Ltd
- Financial Services - Ulster Bank and Quinn Direct
- Life Sciences - Norbrook Laboratories and Intervet Ireland Ltd
- Retail Services - Musgrave Group and Enchante
- Engineering - FM Environmental Ltd and Architectural Aluminium

## **CBT GUIDELINES** *CrossBorderTrade 2003*

### **Cross-Border Trade (CBT) Guidelines**

The CBT Guidelines data, first generated in 2002, was reviewed and significantly updated in 2003 to take account of structural changes within the economic development agencies and their financial incentives and to reflect Budget changes. The Guidelines are widely recognised as the definitive source of cross-border financial and legal data for the business community.

### Baseline Survey on All-Island Trade and Business Development

InterTradelreland worked in collaboration with the Economic and Social Research Institute to conduct a survey to define island-wide business activities, perceptions of business problems, business views on cross-border trade and business activities and synergies which could derive from cross-border trade. The output of this report acts as an indicator of where organisations on the island stand in developing trade and business synergies. An analysis of the findings of this report is currently underway and will inform decisions on future InterTradelreland interventions.

### Mapping Entrepreneurship Support on the Island of Ireland

InterTradelreland has produced the 'Spatial Inventory of Public Sector Support for Entrepreneurship on the Island of Ireland'. The inventory comprises a booklet and additional spatial information provided through the InterTradelreland website. 500 copies of the booklet were distributed to economic development agencies, universities and government departments across the island. Entrepreneurship is central to the functioning and sustainable growth of the economies North and South. A number of studies have highlighted the need to create a central information resource on entrepreneurial activity, to address a knowledge/information deficit.

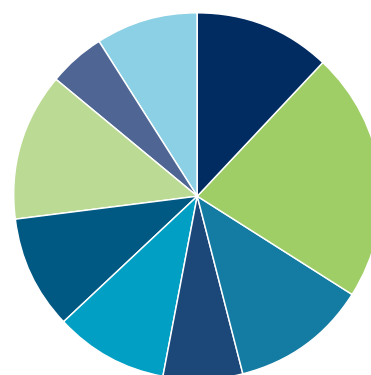
### All-Island Horticulture Market Review

This report was completed in 2003 and published in January 2004. It identifies the extent to which cross-border co-operation and trade exists in the all-island horticulture market. A synopsis of the key challenges facing the market is highlighted, alongside a comprehensive industry analysis by sector. The report reviews the current government policy in respect of the industry, on a domestic and cross-border basis. Finally, strategic options and recommendations are presented, that will further the development of the industry in an all-island context.

### Information Resource Centre

The past year saw the continued development of the InterTradelreland Information Resource Centre, with additional private and public sector reports, newspapers/periodicals and textbooks added to the existing stock. The number of researchers using the facility continues to grow, as do the external enquiries (personal visits, email and phone) received. During 2003 the total number of external queries satisfied was 610, inclusive of 105 queries received through the InterTradelreland EquityNetwork advisory and signposting service. Requests for information were received from businesses, trade associations, academic institutions and economic development agency staff, North and South. Information requested included market data, company information, InterTradelreland projects, research assistance and legal/tax/funding issues.

### BREAKDOWN OF 2003 ENQUIRIES



MARKET INFORMATION	12%
COMPANY INFORMATION	22%
INTERTRADEIRELAND INFORMATION	12%
MEDIA INFORMATION	7%
DEVELOPMENT AGENCY INFORMATION	10%
ECONOMIC POLICY	10%
RESEARCH ASSISTANCE	13%
LEGAL/TAX ISSUES	5%
FUNDING ISSUES	9%

## KNOWLEDGE CHANNELS IMPACTS

THE ESTABLISHMENT OF NORTH/SOUTH COLLABORATIVE PARTNERSHIPS AND FACILITIES.

- **40 North/South partnerships created.**
- **5 North/South facilities created and delivered.**
- **28 All-Island events delivered.**



### FUSION Technology Transfer Partnerships

InterTradelreland's FUSION project is the first all-island technology transfer project built upon the creation of collaborative partnerships between industry and research institutions to address specific product and process development projects. FUSION builds three-way partnerships between companies with technology-based development needs, third-level research institutes such as Universities, Institutes of Technology, colleges and other research centres, and recently qualified high-calibre science and technology graduates. During 2003, 25 new FUSION projects were established, bringing the total number of projects within the FUSION Pilot to 65.

Examples of the benefits being enjoyed by participating FUSION companies:

- Introduction of polymer packaging to previous paper-only product range by this packaging manufacturer has resulted in £1.5M/c€2.2M increased sales over the two years of its project, production speed increases ranging from 33% to 150% and 18 additional jobs created. QUB, as the research partner, also benefited directly through being awarded a new European MSC Polymer Technology Course.
- A healthcare company has met its objective of moving from low-profit high-volume products to high-profit low volume products, resulting in two major contracts with leading medical device manufacturers.
- A seafood processing company has developed an entirely new process worth £40K/c€57.6K per annum, and a sustainable £140K/c€201.6K per annum in overall company profit (including savings worth £15.5K/c€22.3K per annum in energy and water consumption costs).

- A snack food company has reversed an annual trading loss of £60k/c€86.4k to a trading profit of £100k/c€144k in the current year through the introduction of new product ranges and the implementation of food safety and quality systems, which have seen the award of two major contracts to supply national supermarket chains.

A positive Economic Appraisal has been completed for a full roll-out of a larger FUSION Programme, which will be implemented from mid-2004.



### EquityNetwork

EquityNetwork's mission is:

**"To Promote Private Equity to Accelerate Business Growth"**

EquityNetwork continues to develop a centre of excellence to promote awareness of the availability of, and benefits of, using private equity to SMEs across the island.

### InterTradelreland 2nd EquityNetwork Conference 'The Equity Funding Challenge for SMEs in 2003'

One of the highlights of 2003 was the continued success and development of the Private Equity Conference which was held in Dublin on 27 March 2003. The conference attracted 232 delegates, with a strong attendance from SMEs. Other delegates included Venture Capitalists, key representatives from the development agencies, North and South, potential investors and business advisors. Feedback from delegates endorsed the value of the event.

### EquityNetwork Seedcorn Competition 2003

2003 saw the introduction of the first All-Island Seedcorn Competition, which was conceived, developed, promoted and managed by EquityNetwork and concluded with the final judging day and awards ceremony in Dublin, on 3 December 2003. An initial direct mailing to more than 3,000 organisations and businesses was issued, and following 400 registrations, 197 entries were received. The standard of entry was exceptionally high, and the success of the event in terms of raising awareness of private equity and the need for investor-ready proposals has seen the inclusion of a second year's competition in 2004.

### **EquityNetwork Awareness Events**

The Education and Awareness programme continued to underpin EquityNetwork's core mission. Regional Equity information seminars were held in Belfast, Dublin, Coleraine, Athlone, Waterford and Galway with more than 350 companies attending in total.

The International Council for Small Business hosted a Conference - Advancing Entrepreneurship and Small Business - in June. InterTradelreland, through EquityNetwork, provided part sponsorship for the event, assisted with an Equity Seminar and used the event to disseminate EquityNetwork literature and publications to more than 1,000 delegates.

### **EquityNetwork Round Table and Master Classes**

During 2003 the development of Round Table events and Master Classes were very well received by SMEs, VC Providers and Business Angels and, with minimal revision, a core template has been developed for 2004.

### **EquityNetwork Business Angels**

A pilot initiative for Business Angels in Northern Ireland has been developed in partnership with Investment Belfast. The programme is anticipated to go live in Spring 2004.

### **All-Island Competitiveness Forum**

InterTradelreland organised and managed the first All-Island Competitiveness Forum on 17/18 February 2003 in Limerick. The target audience was CEOs of companies operating on the island, Policy Makers and Economic Advisers who affect change in the island's economy and Educators and University Researchers who contribute to the island's overall competitiveness position in the fields of skills, research and innovation. Keynote speakers included Deborah Wince-Smith, President of the US Council on Competitiveness, Professor Stephane Garelli from the International Institute for Management Development in Lausanne and Minister Michael Ahern TD, Minister for Trade and Commerce at the Department of Enterprise, Trade and Employment. The response was excellent with 198 delegates attending the Forum.

The organisation of this event created a number of new North/South partnerships, with Shannon Development, the Northern Ireland Centre for Competitiveness, the National Competitiveness Council, IBEC/CBI, Enterprise Ireland, Invest Northern Ireland, the Department of Enterprise, Trade and Employment and the Department of Enterprise, Trade and Investment all collaborating with InterTradelreland to ensure the relevance and quality of content and the success of this venture.



Professor Stephane Garelli, International Institute for Management Development in Lausanne, one of the keynote speakers at the Competitiveness Forum, Limerick, February 2003.

### **All-Island Steering Group on Science & Technology**

At a Trade Sectoral Meeting of the North/South Ministerial Council in 2002, Ministers discussed the potential to further expand North/South co-operation on science and technology and asked InterTradelreland, in conjunction with the Department of Enterprise, Trade and Employment and the Department of Enterprise, Trade and Investment to examine the feasibility of six new areas for co-operation. The two Departments approved the establishment of an all-island Science & Technology Steering Group, comprised of the two departments and InterTradelreland, to develop actions in areas where it is deemed to be of mutual benefit. At the initial meeting of the Steering Group, three priority areas for enhancement of North/South co-operation were identified - Commercialisation, European Union 6 Framework Programme and Science and Technology Awareness. To secure early progress, task forces were created for the three areas.





### InterTradelreland Acumen

The groundwork for the new all-island InterTradelreland Acumen Programme was achieved in 2002 and during Quarter 1, final agreement between the partners (InterTradelreland, Invest Northern Ireland, Enterprise Ireland and FAS) was reached, State Aids clearance gained and the tender for a Managing Agent for the programme issued. InterTradelreland Acumen will seek to provide participating companies with the market knowledge and practical support required to successfully break into, and develop sales in the cross-border market, through two main supports: the provision of carefully targeted market research and practical consultancy support and financial support to individual SMEs towards the appointment of an experienced salesperson in the cross-border market.



### expertiseireland.com

The island's new and unique knowledge portal was launched on 1 July 2003 in Dublin, by Minister Michael Ahern TD, Minister for Trade and Commerce at the Department of Enterprise, Trade and Employment. This flagship project in InterTradelreland's Science and Technology strategy, facilitates the sharing of high quality, reliable information on the expertise available throughout the island, between the nine universities on the island and the business community across the island. The advanced on-line internet portal combines in one searchable database, details of academic and commercial expertise, funding information, technology transfer and collaborative opportunities for the entire island.

The development of the portal has been achieved by collaboration between InterTradelreland and CHIU, the Conference of Heads of Irish Universities. The project is being funded by InterTradelreland and managed jointly by the Conference of Heads of Irish Universities.

### PORTAL USAGE STATISTICS

From 1 July to the end of December 2003:

**SITE VISITS: 6,862**

**REGISTERED USERS: 239**



### All-Island Trade and Business Awards 2003

InterTradelreland hosted these Awards, which took place in the Four Seasons Hotel, Dublin on 22 May 2003. The Awards were held in conjunction with the IBEC-CBI Joint Business Council. These annual Awards recognise and reward companies for achievements in key aspects of developing North-South trade. Over 200 business people from North and South attended the event. An Tánaiste Mary Harney TD and the Permanent Secretary at Department of Enterprise, Trade and Investment, Bruce Robinson, alongside InterTradelreland's Vice Chairman Barry Fitzsimons and Chief Executive Liam Nellis, were the speakers at the event. By recognising and rewarding those businesses which are already maximising the opportunities surrounding cross-border trade, InterTradelreland is providing the incentive and the awareness for more businesses to exploit the opportunities which exist in trading across the island.



Kirk McClure Morton win the overall Trade and Business Award - Jonathan Hegan receives the award from Liam Nellis, Chief Executive, InterTradelreland.

### PLATO National Networking Event

The InterTradelreland PLATO Networking Day took place on 1 May 2003, in the Burlington Hotel in Dublin. It was attended by over 360 small to medium sized enterprises and 80 purchasing managers from multinational companies. The overall aim of the day was to introduce suppliers to buyers, to potentially secure contracts and to form useful business networks. Companies expressed strong satisfaction with the event. With InterTradelreland support, PLATO has also introduced the Credible Supplier Programme.

### Universities Ireland

During 2003, InterTradelreland was involved in efforts to resuscitate the Conference of Rectors of the Irish Universities, the CRI. The presidents of the nine universities on the island have now agreed an approach which will see them coming together under a new name, Universities of Ireland, which is receiving InterTradelreland financial support. The new group will endeavour to promote collaborative actions by the universities, in areas where it will be in their mutual interest. The building of University-Industry links will be a critical area of activity. InterTradelreland along with the Department of Education and Science in the South and the Department of Education and Learning in the North, will sit as observers on the new body.



### Supply Chain Ireland

On 13 March 2003, InterTradelreland hosted the first meeting of Supply Chain Ireland (SCI), a new island of Ireland forum on supply chain management (SCM). Participating organisations included Enterprise Ireland, Invest NI, Shannon Development, the National Institute of Transport and Logistics (NITL), the Institute of Logistics and Transport, the Institute of Supply Chain Management and the IBEC-CBI's Joint Business Council. The aim of the Forum is to rapidly accelerate the take-up and exploitation of SCM-related tools and management practices in order to improve competitiveness and achieve increased levels of trade and business development activity within and between the two jurisdictions on the island of Ireland.

The InterTradelreland supported Supply Chain Logistics Conference 2003, took place in Dublin Castle on 2 October. The Minister for Transport, Mr Seamus Brennan TD, opened the conference, which enjoyed participation from more than 220 SMEs from across the island.

Fifteen precision engineering, plastics and electronic companies travelled to Bombardier on 16 October 2003, to meet with key Bombardier buyers and a diverse range of Northern Ireland companies, in similar sectors. Companies had an opportunity to exhibit their product offering and have meetings with prospective customers.



Unlocking Government Opportunities

### Go-Source

The Directory, first launched in 2002, was substantially revised during 2003 with a total of 500 records updated. The on-line All-Island Public Procurement Information Directory continues to attract a large number of users:

**CUMULATIVE PAGE IMPRESSIONS: 46,113**

**CUMULATIVE NUMBER OF VISITS: 16,231**

### Cross-Border Trade Guidelines Event

Four Guidelines seminars took place during 2003, in Ballymena, Letterkenny, Enniskillen and Dundalk, and were attended by more than 150 businesses. The seminars delivered detailed information on Law, Tax and VAT, Financial Incentives and Intellectual Property Rights in relation to trading in both jurisdictions. Two case studies were presented on each of the days and, as with previous seminars, many delegates also took up the opportunity to have private one-to-one consultations with the expert speakers.





The Irish Benchmarking Forum (IBF) is the organisation, chaired by InterTradelreland, which was established to promote all-island collaboration and co-operation in the area of Benchmarking and best practice. All the mainstream economic development agencies on the island are represented on the Forum including Invest Northern Ireland, Shannon Development, Enterprise Ireland, Údarás na Gaeltachta, Forfás and the IDA.

### **Benchmarking Awareness Seminar**

In 2003 the IBF hosted a series of regional seminars in Limerick, Portadown, Dublin and Athlone. These events highlighted to companies on both sides of the border the benefits of using benchmarking and best practice tools to improve their profitability. The success of these events means that further seminars will be held in 2004.

### **Bord Bia / Northern Ireland Food and Drink Association**

A partnership between Bord Bia and the Northern Ireland Food and Drink Association was successfully established in 2003. The partnership will initially be built around the gathering of market intelligence in the US, early in 2004 and this represents the first steps towards creating an All-Island Food Sector best practice network.

### **Digital Island - Information Day for Calls for Proposals for Additional Cross-Border Telecommunications Infrastructure**

Digital Island is a policy framework which sets out a strategy to establish the island of Ireland as a world-class player in the exploitation of digital technologies, initially for business and economic development purposes but progressively into other spheres of activity such as education, health, culture etc.

The Information Day for one of the seven Digital Island Projects - the Call for Proposals for Additional Cross-Border Infrastructure - was held on 17 September 2003, with 100 delegates representing economic development agencies, regional development organisations, telecommunications companies and software companies. The Call for Proposals is drawing financial support of £5m/c€7.3m Fund from Interreg III.

### **Science TV Series 'SCOPE'**

As part of the work of InterTradelreland's Science and Technology Awareness Task Force support has been provided for SCOPE, a science TV series, broadcast on RTE Network 2. Each 25 minute programme covers a range of science topics. Seven programmes were broadcast in 2003 and seven more will be broadcast in 2004. The subjects covered to date include the science behind the scenes at rock concerts, the technology of racing cars and the engineering behind fashion design. More detailed information on each of the subjects covered can be accessed on the science.ie website. Each programme also contains a careers piece which highlights the wide ranging career paths associated with science and engineering qualifications. The interactive Discovery Centre, W5, has also featured in the series. Both W5 and the Department for Employment and Learning have expressed a keen interest in using the series as part of their careers awareness service.



**L-R:** Liam Nellis, Chief Executive, InterTradelreland; Gina Quinn, Chief Executive, Dublin Chamber of Commerce; Frank Hewitt, Chief Executive, Northern Ireland Chamber of Commerce and Trade; and Martin Naughton, Chairman, InterTradelreland launching the Network & Getwork events, a series of events aimed at introducing companies to procurement decision makers in a number of large organisations throughout Ireland.

### **Chambers of Commerce - Network & Getwork**

The Northern Ireland Chamber of Commerce and Industry and the Dublin Chamber of Commerce, in association with InterTradelreland have established a series of Network & Getwork events. These events are aimed at introducing companies to procurement decision makers in a number of large organisations throughout Ireland.

The Diageo Network & Getwork event took place in November 2003, with 14 buyers present from Diageo and 70 SME suppliers.

### Supplier Education Programme

PricewaterhouseCoopers, appointed by InterTradelreland, delivered the Supplier Education Programme aimed at enhancing the skills, expertise and efficiency of those companies wishing to target the public sector.

The first Supplier Education Programme took place in PwC headquarters in Belfast on 28 October with the target number of 14 companies attending. Day 2 in Belfast took place on 14 November 2003, with all 14 companies present. The second Supplier Education Programme took place in the Enterprise Ireland offices in Dublin, with 14 companies attending. Day two in Dublin took place on 24 November 2003. Both the Belfast and Dublin companies are now in the process of booking their mentoring or one-to-one sessions with the PwC consultants to assist with tendering.



### BioMedIreland

BioMedIreland is a formalised network for North/South industry co-operation within the biotechnology and health technology sector. This network represents a strategic partnership between InterTradelreland, the Irish Medical Devices Association, the Irish BioIndustry Association and BioBusiness NI. The vision for BioMedIreland is an innovative, globally competitive all-island health technology and biotechnology sector, based on highly developed knowledge transfer and business development networks across the island. Four functional areas, which will form the focus of the activities of the network, have been identified as follows:

- Quality Systems & Regulatory Affairs
- Supply Chain Management
- Project Management
- Innovation & Entrepreneurship

The opportunities for learning, networking and information sharing in each of the functional areas will be delivered via a variety of collaborative events across the island, including workshops, study visits, seminars and conferences. Planned outputs from the network include the establishment of an all-island database of the relevant sector operators, the generation of papers on each functional area and the generation of economic impact reports.

## KNOWLEDGE CARRIERS IMPACTS

THE VALUE OF TRADE AND BUSINESS DEVELOPMENT  
GENERATED AS A DIRECT RESULT OF  
INTERTRADEIRELAND INTERVENTIONS.

- **£7.4m/€10.5m aggregated trade and business development value reported from companies who have participated in InterTradelreland programmes and events.**
- **2,206 companies with an increased capability/propensity to engage in cross-border trade and business development ventures through participation in InterTradelreland programmes and events.**

### Aggregated Trade and Business Development Value

The total value for 2003 is £7.4m/€10.5m. This includes the direct additional revenue and cost savings achieved in 2003 and reported by companies participating in InterTradelreland programmes and projects, such as FUSION, FOCUS and PLATO, and companies attending InterTradelreland events which have provided information that has been converted into cross-border business.

## FOCUS

*Delivering All-Island Sales Success*

### FOCUS Programme

InterTradelreland's FOCUS programme is the first all-island sales and marketing initiative, established to promote all-island trade through the identification and exploitation of new market opportunities. FOCUS builds partnerships between companies and graduates or sales consultants with particular knowledge in specific geographies and sectors. Fourteen companies participated in the Pilot FOCUS Programme which was completed in 2003. A positive Economic Appraisal has been completed for a full roll-out of a larger FOCUS Programme, which will be implemented during 2004.

### FUSION Programme

The total value of cross-border business development opportunities including efficiency savings and sales generated through FUSION projects in 2003 is £4.1m/€5.9m.

### PLATO - National Networking Event

An evaluation of the PLATO Ireland networking event, held in May 2003, has identified that over 15,000 business introductions were made through group SME meetings, one-to-one meetings and large company purchasing manager/SME group meetings. Based upon the contacts established on the day, SME participants estimated that they secured over £1.4m/c€2m of business on the day. The SMEs estimate that these immediate contacts will lead to a total of £2.35m/c€3.4m of new business within 3 years and that the eventual long term benefit, after 3 years, will be £5.32m/c€7.7m.

### Annual Business Survey

InterTradelreland has conducted a survey to establish the value that businesses have derived from attending InterTradelreland seminars, conferences and other one-day events during 2003. Results of the survey show that companies identified 73 different business opportunities as a direct result of attending InterTradelreland events and that the financial value placed upon this is £1.1m/c€1.6m.

### Companies with an increased capability/propensity to engage in cross-border trade and business development ventures

During 2003, InterTradelreland planned, organised and delivered several series of events designed to increase the knowledge base from which companies can draw, in order to expand their markets, increase their efficiency and competitiveness and seek to establish trading and business development relationships across the island. A total of 2,206 companies have participated in the following series of events:

- Cross-Border Trade Guidelines
- Benchmarking Forum Seminars
- PLATO National Networking Day
- Supply Chain Conference
- EquityNetwork Awareness Seminars and Roundtable Events
- Chambers of Commerce Network & Getwork Events
- 2003 Equity Conference
- 2003 Competitiveness Conference

LOCHLANN QUINN, NON EXECUTIVE CHAIRMAN OF  
AIB GROUP WHO WAS A KEYNOTE SPEAKER AT THE PRIVATE  
EQUITY CONFERENCE IN JURY'S HOTEL, DUBLIN.



## COMMUNICATIONS

### Summary of work 2003

The communications function within InterTradeIreland is responsible for the publicity, marketing and promotional activity of the individual operational areas within the organisation and for InterTradeIreland as a whole.

As part of its role, the communications function must liaise closely with the Programme Managers and staff directly involved in each of InterTradeIreland's operational areas, providing advice and support in the development of their individual communication plans, and ensuring quality control and co-ordination in the implementation of these plans.

The available resources include the communications personnel (manager plus executive), four key service companies providing services in the following areas: Event Management; Press and Public Relations; Media Monitoring; Advertising; and Design and Print, and the support of the whole staff team in implementing agreed communications plans.

During 2003, the key achievements from the communications team were:

- Achieving excellent media coverage for the body as a whole and for individual programme areas. See figures below.
- Involvement with key events such as the All-Island Competitiveness Forum 2003, All-Island Trade and Business Awards 2003, and the All-Island Innovation Awards 2003.
- Co-ordinating events with third parties, such as the series of speaker events with the MBA Association of Ireland, and the Deloitte and Touche Fast 50 2003.
- Redesign of the [intertradeireland.com](http://intertradeireland.com) website
- Introduction of contact management system (Ascent) which to date contains over 9,000 contacts.

#### 2003 PRINTED PR COVERAGE

NUMBER OF ARTICLES	IRELAND	NORTHERN IRELAND	GRAND TOTAL
Consumer	22	0	22
National	214	183	397
Regional	145	157	302
Trade Press	42	8	50
<b>TOTAL NO. ARTICLES</b>	<b>423</b>	<b>348</b>	<b>771</b>

(ROMEIKE MEDIA INTELLIGENCE)



## INFORMATION TECHNOLOGY

### Summary of work 2003

Information Technology played an important role in the continuing development of *InterTradelreland*'s web-presence over the course of 2003. A number of key projects are outlined below:

- go-source.com is an online directory of every public sector organisation on the island of Ireland with contacts for procurement professionals in each. The website is a joint effort by *InterTradelreland*, Enterprise Ireland and Invest NI. With some 500 entries, it is an invaluable resource for any company wanting to take their first steps in cracking the highly lucrative Public Sector market north and south of the border. go-source.com won the category of 'Best E-Business Website' in the 2003 Goldeneye awards.
- EquityNetwork successfully used the *InterTradelreland* website to manage entrants to the All-Island Seedcorn Competition. Those interested in the competition were directed to the site to register their details. These were then regularly emailed to encourage them to submit their business plans in time. In a separate development, video coverage from the awards ceremony was available to view on the website.

- The Irish Benchmarking Forum website provided details on the four regional seminars the IBF held throughout Ireland in 2003. The website is expected to be a key information resource for benchmarking related publications, case studies and upcoming events for 2004.
- The *intertradeireland.com* website underwent a design refresh during 2003, as part of the organisation's on-going commitment to providing a useful and up-to-date portal for those seeking information about our programmes.

*InterTradelreland* also took a number of important steps in improving the security and robustness of its internal ICT systems. Web-filtering software was installed on the servers, a system of off-site backups was put in place, and a detailed disaster recovery plan was tested and documented.





## EVENTS CALENDAR 2003

# EVENTS CALENDAR 2003

## JANUARY

**19TH-22ND**  
**SHOWCASE IRELAND**  
RDS, Dublin

Showcase Ireland is the Craft Council of Ireland's Annual National Trade Fair, which represents manufacturers from every county in the island of Ireland. This was InterTradelreland's third year sponsoring the Showcase Best New Products Award jointly with the Craft Council of Ireland. The winners included Abbie Dickson and Turnip House.

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## FEBRUARY

**18TH**  
**COMPETITIVENESS FORUM**  
Bunratty Hotel, Limerick

The theme of the first all-island competitiveness forum, opened by Minister Michael Ahern TD, Minister for Trade and Commerce at the Department of Enterprise, Trade and Employment, was 'the Island of Ireland in an International context'. Key speakers at the event held in Limerick were Deborah Wince-Smith, President of the US Council on Competitiveness and Professor Stephane Garelli of the International Institute for Management Development, at the University of Lausanne.



Deborah Wince-Smith, President of the US Council on Competitiveness was one of the keynote speakers at this year's Forum. Her address set out the strategic and commercial imperatives on which overall US competitiveness is based.

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## MARCH

### 20TH

#### GO-SOURCE.COM WINS AWARD

Public Transport Museum, Holywood

Go-Source, the all-island website run in association with Invest NI and Enterprise Ireland, won a major e-business award at the Goldeneye Web awards. The online directory provides opportunities for business to access Ireland's huge public procurement market which is worth more than £7bn /c€10bn each year.



**L-R:** Eleanor Butterwick, Invest NI;  
Paddy Savage, InterTradelreland;  
and Victoria Milhench, Enterprise Ireland.

#### PUBLICATION OF 'MAPPING THE BIO-ISLAND:

#### A NORTH/SOUTH STUDY OF THE PRIVATE BIOTECHNOLOGY SECTOR' REPORT

(No. 1 in the InterTradelreland Policy Research series)

In the first study of its kind, the report gives an overview of the capabilities of the Biotech sector throughout the island of Ireland and also surveyed Chief Executives about their attitude towards cross-border collaboration.

### 27TH

#### PRIVATE EQUITY CONFERENCE 2003

Jurys Hotel, Dublin

EquityNetwork hosted the second private equity conference in Dublin on 27 March 2003. More than 200 delegates attended the event, over half of whom represented early stage companies, already at the phase of raising investment capital. Other delegates included Venture Capitalists, key representatives from the Development Agencies, North and South, potential investors and business advisors.



Lochlann Quinn,  
Non Executive Chairman of AIB Group,  
was keynote speaker at the Private Equity  
Conference held in Dublin this year.

## APRIL

### 10TH

**LAUNCH OF THE HOT ORIGIN REPORT,  
'IRELAND'S SOFTWARE CLUSTER: WINNING SALES - LESSONS FROM THE FRONTLINE'**  
Malone House, Belfast

InterTradeIreland was a sponsor for the research and publication of this report for a second year.



Aidan Gough, Director of Strategy and Policy, InterTradeIreland with John O'Connor, Hot Origin and Helen Roulston, Chairman of Momentum at the launch of the report in Belfast.

### 14TH

**FIRST MBAAI MEMBER EVENT SPONSORED BY INTERTRADEIRELAND**  
Davenport Hotel, Dublin

This is the first year that InterTradeIreland has sponsored the member events of the MBA Association of Ireland. MBAAI is the representative body for graduates holding the degree of Masters in Business Administration.

### 28TH

**JUDGING OF THE TRADE AND BUSINESS AWARDS**  
InterTradeIreland, Newry



'A bit of light relief during the judging process.'  
William Walsh (Aer Lingus)  
and Ann O'Riordan (Media Lab Europe).

## 29TH

### PRESS LAUNCH OF AIRFLIGHTS REPORT

(No. 2 in the *InterTradelreland Policy Research series*)

InterTradelreland, Newry

The research component of the Air Flights project was completed during the first quarter of 2003. The research revealed considerable demand for air services between Northern Ireland and a range of locations within the Republic of Ireland, particularly between Belfast and Cork/Dublin/Shannon.



**L-R:** John Kenna (report author);  
Dr Martin Naughton, Chairman of InterTradelreland;  
Padraig OCèidigh, MD of Aer Arann;  
and Professor Austin Smyth (report author).

## MAY

### 1ST

#### INTERTRADEIRELAND / PLATO NETWORKING DAY

Burlington Hotel, Dublin

The InterTradelreland PLATO Networking Day was attended by over 360 small to medium sized enterprises and 80 purchasing managers from multinational companies. The overall aim of the day was to introduce suppliers to buyers, to potentially secure contracts and to form useful business networks.

### 13TH

#### IRISH BENCHMARKING FORUM (IBF) SEMINAR

Portadown

The Irish Benchmarking Forum (IBF) is the organisation chaired by InterTradelreland which was established to promote all-island collaboration and co-operation in the area of benchmarking and best practice. The event in Portadown was hosted by Invest NI, with guest speakers Dr Nola Hewitt-Dundas from NIERC / Innovation Labs and Peter McCarron from Invest Northern Ireland.



Peter McCarron,  
Invest NI speaking at the  
IBF Forum in Portadown.

## **14TH**

### **EQUITY SEMINAR** Waterford

Hosted in conjunction with Waterford Chamber of Commerce, these Seminars are case study based, using an example of a local entrepreneur who has developed their business as a result of private equity.

## **22ND**

### **ALL-ISLAND TRADE & BUSINESS AWARDS** Four Seasons Hotel, Dublin

InterTradeIreland hosted these Awards, which took place in the Four Seasons Hotel, Dublin. The Awards were held in conjunction with the IBEC-CBI Joint Business Council. These annual Awards recognise and reward companies for achievements in key aspects of developing North-South trade. Over 200 business people from across the island attended the event.



Overall winner of the All-Island Trade and Business Award 2003 was Kirk McClure Morton. Receiving the award, Mr Jonathan Hegan.

## **28TH**

### **MBAAI MEMBER EVENT** **SPONSORED BY INTERTRADEIRELAND** Bombardier, Belfast



Pictured at the Bombardier Learjet 45 production line during the MBAAI visit to Bombardier Aerospace, Belfast are, from left Dermot O'Doherty, Senior Adviser, InterTradeIreland; Michael Ryan, Vice-President and General Manager, Bombardier Aerospace; and Denis McCarthy, Director General, MBA Association of Ireland.



## JUNE

### 4TH

#### LAUNCH OF SEEDCORN COMPETITION

2003 saw the introduction of the first All-Island Seedcorn Competition, which was conceived, developed, promoted and managed by EquityNetwork. £69,500/c€100,000 was on offer for the best business plan on the island with six regional prizes of £13,900/c€20,000.



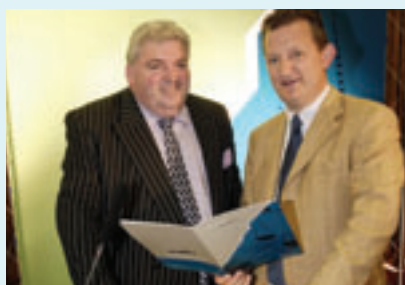
Margaret Hearty, EquityNetwork Manager  
and Fergal McCann, Private Equity Advisor.

### 5TH

#### CBT (CROSS-BORDER TRADE) GUIDELINES SEMINAR

Fairways Hotel, Dundalk

Another in the series of CBT Guideline Seminars, the event consisted of two case studies, focusing on the difficulties and issues to be aware of when setting up a business in the other jurisdiction. Michael Dwyer from pigsback.com was one of the speakers at the event.



Michael Dwyer, pigsback.com,  
one of the speakers at the event.

### 6TH/12TH

#### EQUITY SEMINARS

Belfast/Galway

## **11TH /12TH**

### **FUSION, GRADUATE TRAINING**

Canal Court, Newry

Two groups of FUSION graduates attended a series of training days:

FUSION group 1 had their final workshop in the Canal Court Hotel, Newry. The group, consisting of 13 students, covered World Class Manufacturing and Quality Benchmarking.

The second FUSION group of 26 students also had their workshop in the Canal Court Hotel, Newry and covered Time Management and Project Management. This was their first workshop.



The InterTradelreland FUSION graduates in the Canal Court Hotel, Newry.

## **17TH**

### **EQUITY SEMINAR AT 'THE ADVANCING ENTREPRENEURSHIP & SMALL BUSINESS' CONFERENCE**

Stormont Hotel, Belfast

The International Council for Small Business hosted a Conference, "Advancing Entrepreneurship and Small Business" in Belfast in June. InterTradelreland, through EquityNetwork, provided part sponsorship for this event, assisted with an Equity Seminar and used the event to disseminate EquityNetwork literature and publications to more than 1,000 delegates.

## **26TH**

### **SUPPLY CHAIN 'MEET THE BUYER' EVENT**

DELL, Limerick

Two supply chain 'meet the buyer' events were facilitated by InterTradelreland in 2003. The first event was hosted by DELL in Limerick, who had a range of their buyers meeting with a range of Northern Ireland and Republic of Ireland companies.

## **27TH**

### **LAUNCH OF THE INSTITUTE OF DESIGNERS IN IRELAND DESIGN AWARDS 2003**

In its seventh year, the Annual Institute of Designers in Ireland Awards was launched this month, sponsored by InterTradelreland. A Call for Entries went out to all the designers on the island of Ireland to submit their entries for this prestigious competition.

## JULY

### 1ST

#### LAUNCH OF EXPERTISEIRELAND.COM

The Vaults, Dublin

The island's new and unique knowledge portal was launched in Dublin by Minister Michael Ahern TD, Minister for Trade and Commerce at the Department of Enterprise, Trade and Employment. This flagship project in *InterTradelreland's* Science and Technology strategy facilitates the sharing of high quality, reliable information on the expertise available throughout the island between the nine universities on the island and the business community across the island.



**L-R:** Dr Martin Naughton, Chairman, *InterTradelreland*; Professor Ferdinand Von Prondynski, Dublin City University; and Minister Michael Ahern TD, Minister for Trade and Commerce at the Department of Enterprise, Trade and Employment attend the launch of the *expertiseireland.com* portal in Dublin.

### 16TH

#### IRISH BENCHMARKING FORUM (IBF) REGIONAL SEMINAR

Enterprise Ireland Office, Cork

Hosted by Enterprise Ireland in Cork, the event was attended by over 150 local businesses and agencies.

#### PUBLICATION OF 'A REVIEW OF THE ALL-ISLAND CONSTRUCTION SECTOR' REPORT (No. 3 in the *InterTradelreland* Policy Research series)

This report identifies the key strategic and operational strengths and weaknesses of the industry, and suggests developmental opportunities for the construction industry from an island-wide perspective.

## AUGUST

### 28TH

**LAUNCH OF THE NORTHERN IRELAND PROGRAMME OF MBAAI EVENTS IN BELFAST, SPONSORED BY INTERTRADEIRELAND**

**PUBLICATION OF 'NORTH/SOUTH TRADE: A STATISTICAL GROUND-CLEARING EXERCISE' REPORT  
(No. 4 in the InterTradelreland Policy Research series)**

This report clears the ground of the confusion that surrounds current data collection procedures North/South.

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## SEPTEMBER

### 4TH

**CROSS-BORDER TRADE (CBT) GUIDELINES SEMINAR**  
The Killyhevlin Hotel, Enniskillen

The seminars in Enniskillen consisted of two case studies focusing on the difficulties and issues to be aware of when setting up a business in the other jurisdiction.

### 11TH

**INTERTRADEIRELAND'S THIRD ANNUAL REPORT LAUNCHED,  
SUMMARISING THE WORK OF THE BODY THROUGHOUT 2002.**

### 17TH

**IRISH BENCHMARKING FORUM**  
Institute of Technology, Athlone

Held in the Institute of Technology in Athlone, hosted by Enterprise Ireland.

### 23RD

**HM CUSTOMS AND EXCISE - NORTHWEST BUSINESS ADVICE OPEN DAY**  
City Hotel, Derry/Londonderry

Attended by approximately 400 individuals, the event, designed for small and medium sized businesses, brought together Government agencies, departments and public sector organisations under one roof. InterTradelreland was represented at a stand at this event.

## 25TH

### HM CUSTOMS AND EXCISE - BUSINESS ADVICE OPEN DAY

King's Hall, Belfast

Again well attended, InterTradelreland was represented at this event.



InterTradelreland staff on the InterTradelreland stand at the King's Hall event.

### A NORTH/SOUTH ANALYSIS OF MANUFACTURING GROWTH AND PRODUCTIVITY (No. 5 in the InterTradelreland Policy Research series)

The report provided, for the first time, a detailed comparative analysis of the structure and productive performance of the Northern and Southern economies.

### FIRST QUARTERLY ALL-ISLAND TRADE AND PRODUCTION MONITOR

The first monitor, an InterTradelreland publication, was launched this month and is now published on a quarterly basis, with 4,000 copies issued to businesses and 1,000 to the economic development agencies, research organisations, universities and government departments across the island. In addition to providing a baseline measure for North/South trade it will also outline trends in production.



### FUSION REVIEW 2003-2004 PUBLISHED

A review of InterTradelreland's FUSION projects was published during this month. FUSION helps companies innovate and improve their competitiveness by applying R&D excellence which has previously been unavailable to them.

## OCTOBER

### 2ND

#### LOGISTICS IRELAND CONFERENCE

Dublin Castle

This year's theme was 'Practical and Achievable Supply Chain Management Initiatives for Improving Competitiveness'. InterTradelreland was one of the sponsors of this event. Co-sponsors were NITL, Enterprise Ireland and Invest NI. The Keynote address was given by Dr John L Gattorna, a leading expert globally on Supply Chain Management.

### 7TH

#### IOD BREAKFAST SEMINAR

IOD Offices, Belfast

The topic of the breakfast seminar was to discuss the role of the Non-Executive Director and how a non-executive can help business. Presentations included input from EquityNetwork and from a senior individual with experience as a non-executive and a CE of a company which has used non-executives.

### 9TH

#### FUSION LAUNCH

W5, Odyssey Arena, Belfast

It was announced that the FUSION Project was to be significantly expanded. FUSION is a unique all-island initiative which develops and supports three-way partnerships between companies with specific technology needs, research centres with specialist expertise and high calibre science and technology graduates. The new scheme will create 130 additional partnerships across the island over the next four years and is available to both SMEs and larger businesses.



Liam Nellis, Chief Executive and Julie Jordan, Operations Manager, InterTradelreland.

### 14TH

#### EQUITY SEMINAR 'TACKLING THE FUNDING CHALLENGE FOR START-UP & EARLY-STAGE COMPANIES ONE YEAR ON'

Guinness Enterprise Centre, Dublin

Following an extremely successful seminar in 2002, Dublin Business Innovation Centre and InterTradelreland held this networking event for companies providing or seeking funds.



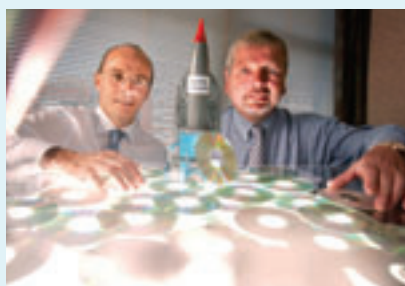
## 16TH

### SUPPLY CHAIN 'MEET THE BUYER' EVENT Bombardier, Belfast

Hosted by Bombardier, who provided a site tour and gave companies from Northern Ireland and the Republic of Ireland the opportunity to meet with a number of their key buyers.

### DELOITTE AND TOUCHE FAST 50 Guinness Store House, Dublin

Sponsored by InterTradelreland's EquityNetwork, the overall winner at this year's event was Xsil Ltd.



Launching the event were Tom Keenan from Deloitte and Touche and Liam Nellis, InterTradelreland.

## 17TH

### IDI DESIGN AWARDS 2003 City Hall, Belfast

Sponsored by InterTradelreland, over 200 entries were received for this year's Institute of Designers in Ireland Design Awards, recognising the best examples of Irish design work across the island of Ireland. Belfast company Inferno was announced the Grand Prix winner for their TV graphics project, Big Six.



INFERNO lights judges' fire at the Institute of Designers in Ireland Design Awards. Colin Williams (with award) of Belfast-based motion design company, Inferno, was awarded Grand Prix Winner for his work on graphics for the BBC NI documentary 'Big Six'.

Also pictured are Liam Nellis, InterTradelreland; Jonathan Parson of Inferno; Selma Harrington, IDI President; and Bruce Robinson, Permanent Secretary, Department of Enterprise, Trade and Investment.

## 23RD

### EQUITY SEMINAR Science Innovation Centre/UU/Coleraine

The equity seminars are part of the Education and Awareness programme from EquityNetwork. Speakers at the event in Coleraine included Alan Mawson, Clarendon Fund Managers, Dr James Kerlin, Sensor Light & Devices and Fergal McCann, Equity Advisor at InterTradelreland.

## 28TH

### SUPPLIER EDUCATION PROGRAMME

PwC Office, Belfast

The aim of the Supplier Education Programme is to 'create business opportunities for SMEs in the all-island public procurement market'. At the first event in Belfast, the 14 companies targeted attended.



**L-R:** Hugh Crossey PwC; Richard Jackson PwC; John McMillen, Northern Ireland Central Procurement Directorate; and Liam Nellis, Chief Executive, InterTradeIreland at the launch of the Supplier Education Programme.

## 30TH

### MBAAI MEMBER EVENT

SPONSORED BY INTERTRADEIRELAND

Limerick

# NOVEMBER

## 10TH

### SUPPLIER EDUCATION PROGRAMME

Dublin Castle, Dublin

The second of these events held this year.

## 12TH

### SEEDCORN COMPETITION SEMI FINALS

Newry

Some of the regional winners were announced:

<b>Belfast Regional Winner:</b>	SLDIreland
<b>Dublin Regional Winner:</b>	I-conx Solutions
<b>Leinster Regional Winner:</b>	Armac Systems
<b>NI Regional Winner:</b>	Opt 2 Vote



Opt 2 Vote -  
Northern Ireland Regional Winner

## 14TH

### LAUNCH OF INTERTRADEIRELAND ACUMEN PROGRAMME

City Hall, Cork

The InterTradelreland Acumen programme is designed to ensure that SME participant companies boost their cross-border sales and where appropriate, develop other forms of commercial co-operation. It is anticipated that the all-island Acumen programme will assist at least 190 companies to deliver over £69m/€100m in additional sales and create over 500 jobs over a 6-year period. The programme was formally launched in Cork by Minister Michael Ahern TD, Minister for Trade and Commerce at the Department of Enterprise, Trade and Employment.



**L-R:** Willie Maxwell, Programme Director, InterTradelreland Acumen; Cllr Colum Burke, Mayor of Cork; and Liam Nellis, Chief Executive, InterTradelreland.

## 17TH

### SEEDCORN COMPETITION SEMI FINALS

Galway

The regional winner for Connaught and Counties Cavan, Monaghan and Donegal was announced as Proxy Biomedical.

## 18TH

### SEEDCORN COMPETITION SEMI FINALS

Limerick

Regional winners for Munster (Outside Cork) were announced as TravelFAT, and Leinster (outside Dublin) as Armac Systems. Cork regional joint winners were Delta Homes and Luxcel Biosciences.

## 25TH

### REGIONAL AWARENESS EVENT

Institute of Technology, Athlone

A seminar held in Athlone, for local companies and agencies, where they found out more about InterTradelreland and how InterTradelreland can help them improve their competitiveness and exploit the business potential of trading cross-border.

## **26TH/27TH**

### **CROSS BORDER TRADE (CBT) GUIDELINES SEMINAR**

Ballymena/Letterkenny

Targeted at the SME community, the seminars consisted of two case studies focusing on the difficulties and issues to be aware of when setting up a business in the other jurisdiction. Both events were well attended.

## **27TH**

### **NETWORK & GETWORK/DIAGEO**

Diageo, Dublin

The Diageo Network & Getwork event took place in November, in association with the Northern Ireland and Dublin Chambers of Commerce. The event had 14 buyers present from Diageo and 70 SME suppliers.

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## **DECEMBER**

## **3RD**

### **SEEDCORN FINALS**

Berkeley Court Hotel, Dublin

The winner of the first All-Island Seedcorn Competition, held in the Berkeley Court Hotel Dublin, was Luxcel Bioscience who walked away with the £69,500/c€100,000 first prize. Luxcel Bioscience's mission is to become a leading provider of drug discovery solutions, tools and assay systems to the pharmaceutical and related industries. The company's current products enable high throughput cell-based drug screening and related applications. Luxcel is working directly with major big pharma companies and has a number of global distribution agreements in place.



Luxcel receive their Award from  
Dr Martin Naughton, Chairman, InterTradeIreland.

## **11TH**

### **INTERTRADEIRELAND NETWORKING EVENT**

Newry

Over 150 guests attended the event held in InterTradeIreland's offices. A charity raffle for the Southern Area Hospice helped raise £2,500/c€3,616 on the day.

### **SECOND QUARTERLY ALL-ISLAND TRADE AND PRODUCTION MONITOR**

The second quarterly edition of the InterTradeIreland publication of North/South Sectoral Trade Statistics was published.

INTERTRADEIRELAND EVENT MAP







**AUDITED ACCOUNTS**  
***FOREWORD TO THE ACCOUNTS***

# AUDITED ACCOUNTS

## FOREWORD TO THE ACCOUNTS

### Background Information

InterTradeIreland - The Trade and Business Development Body - is a North/South implementation body sponsored by the Department of Enterprise Trade and Investment in Northern Ireland and the Department of Enterprise Trade and Employment in Ireland. The Body was established on the 2nd of December 1999 under the Belfast Agreement 1998 and the British-Irish Agreement 1998 establishing implementation bodies, which is underpinned by the North/South Co operation (Implementation Bodies) (Northern Ireland) Order 1999 and the British Irish Agreement Act 1999. The Trade and Business Development Body's principal functions are to exchange information and co ordinate work on trade, business development and related matters, in areas where the two administrations specifically agree that it would be in their mutual interest. Specific areas include amongst others - co operation on business development opportunities North and South, devising new approaches to business development and competitiveness, promotion of North-South trade supply chains and other areas when tasked jointly to do so.

These accounts have been prepared in accordance with the accounts direction attached in Appendix A.

### Business Review

A full review of the Trade and Business Development Body's activities is given in the Annual Report.

### Results for the Financial Period 1 January 2003 - 31 December 2003

The results of the Trade and Business Development Body are set out in detail on page 60. The surplus for the period was **£320,061 (€462,968)**.

### Fixed Assets

Details of movement of fixed assets are set out in note 8 to the accounts.

### Research and Development

The Body has not participated in any scientific or technological research and development activities over the year. However, it was involved in economic and business related research.

### Future Developments

During 2004 the Body will develop a corporate plan for the period 2005-2007. It will also continue to implement its 2002-2004 Corporate Plan. This will entail extensive activity in its three principal domains - Knowledge Capital, Knowledge Carriers and Knowledge Channels. Examples of specific activities include, hosting and promoting business events such as another EquityNetwork Conference, further developing its Focus and Fusion projects and commissioning and conducting economic and business research.

## Important Events Occurring After the Year End

There have been no significant events since the year end 31st December 2003, which would affect these accounts.

## Charitable Donations

The Trade and Business Development Body paid £470 to the Northern Ireland Chamber of Commerce in order for seven invited guests and three representatives of the Body to attend the Newry Chamber of Commerce and Trade Annual Dinner in order to avail of business networking opportunities. Attendance at the event included admittance to a charity casino in aid of the Southern Area Hospice.

The Trade and Business Development Body paid £411.30 to the Newry Chamber of Commerce and Trade for ten board members and senior management to attend their annual Business Christmas Charity Lunch. Participation in this event was warranted by the networking opportunities. Charities aided by this event included Rathfriland Hill School, St. Vincent De Paul, Salvation Army and Daisy Hill Hospital, Newry.

During the year two contributions of £10.00 each were made by the Body to two charities as a result of staff attending business functions. These charities were, Marie Curie Cancer Research and Action Cancer.

## Board Members

The functions of the Body are exercised by the Board. The following served as Board members during the period:

Dr Martin Naughton (Chairman)  
Mr Barry Fitzsimons (Vice Chairman)  
Ms Mary Ainscough  
Ms Mary Breslin  
Mr Trefor Campbell  
Mr John Fitzgerald  
Mr Jack Gilmour  
Ms Jackie Harrison  
Mr Carl McCann  
Mr Feargal McCormack  
Ms Inez McCormack  
Mr Robbie Smyth

The Chief Executive is Mr Liam Nellis. The Chief Executive is responsible for the management and control generally of the administration of the Body.

## Equal Opportunities

InterTradeIreland - The Trade and Business Development Body has developed an Equal Opportunities Policy which sets out our commitment to provide employment equality to all, irrespective of:

- Gender, marital or family status
- Religious belief or political opinion
- Disability
- Race or ethnic origin
- Nationality
- Sexual orientation

The Policy reflects model procedures and practices recommended by the Equality Commission.

We are opposed to all forms of unlawful and unfair discrimination. All full-time and part-time employees and job applicants (actual or potential) will be treated fairly and selection for employment, promotion, training or any other benefit will be on the basis of aptitude and ability. Our customers, suppliers and members of the public with whom we interact are also afforded equality of treatment in this regard.

Our building is fully compliant with the requirements of the Disability Discrimination Act 1995 and recently won the William Keown Access Award 2002. Currently none of our employees have declared that they have a disability under the definitions of the Act.

## FOREWORD TO ACCOUNTS

### Statutory Equality Scheme

The Body's Equality Scheme was approved by the Equality Commission in March 2002. The Body continues to be committed to implementation of its statutory responsibilities, by having regard to the need to promote equality of opportunity:

- Between persons of different religious belief, political opinion, racial group, age, marital status or sexual orientation;
- Between men and women generally;
- Between persons with a disability and persons without;
- Between persons with dependents and persons without.

In carrying out its functions relating to Northern Ireland, the Body will have regard to the desirability of promoting good relations between persons of different religious beliefs, political opinion or racial group.

The Trade and Business Development Body has been actively working to implement its action plan and having consulted on its Policy Screening Paper, has published its timetable for undertaking Equality Impact Assessments.

### Employee Involvement

The Trade and Business Development Body does not have a trade union with negotiating rights. Staff are, however, consulted at all times as new procedures and policies are developed and they have an opportunity to contribute or comment.

### Payment to Suppliers

The Trade and Business Development Body is committed to the prompt payment of bills for goods and services received in accordance with the UK Late Payment of Commercial Debts (Interest) Act 1998, and the Irish Prompt Payments Act 1997. Unless otherwise stated in the contract, payment is due within 30 or 45 days, as appropriate, of the receipt of the goods or services, or presentation of a valid invoice or similar demand, whichever is later. Ninety-five percent of all approved invoices were paid within the relevant period.

### Health and Safety Policy

The Trade and Business Development Body has a Health & Safety Policy and Procedures covering the organisation and its premises. Procedures for evacuation and security arrangements are in place for the Body and regular drills and tests are carried out. First aiders and fire wardens have been appointed and received necessary training.

### Going Concern

The balance sheet at 31 December 2003 shows net liabilities of £282,488. This reflects the inclusion of liabilities falling due in future years which, to the extent that they are not to be met from the Body's other sources of income, may only be met by future grant funding from the Body's sponsoring departments; the Department of Enterprise Trade and Investment and the Department of Enterprise Trade and Employment. This is because, under the normal conventions applying to governmental control over income and expenditure, such grants may not be issued in advance of need.

Grant funding for 2004, taking into account the amounts required to meet the Body's liabilities falling due in that year, have already been included in the sponsoring departments estimates for that year, which have been approved by both the Houses of Parliament and the Oireachtas. There is no reason to believe that future sponsorship and approval will not be forthcoming. It has accordingly been considered appropriate to adopt a going concern basis for the preparation of these financial statements.

Liam Nellis  
Chief Executive  
18 June 2004

## Trade and Business Development Body Responsibilities

The Department of Enterprise Trade and Employment and the Department of Enterprise Trade and Investment have directed the Trade and Business Development Body to prepare a statement of accounts for each financial year in the form and on the basis set out in the accounts direction at the appendix to these financial statements. The accounts are prepared on an accruals basis and must give a true and fair view of the Body's state of affairs at the year-end and of its income and expenditure, recognised gains and losses, and cash flows for the financial year. The functions of the Body are exercised by the Board.

In preparing the accounts the Trade and Business Development Body is required to:

- Observe the accounts direction issued by the Department of Enterprise Trade and Investment and the Department of Enterprise Trade and Employment, including the relevant accounting and disclosure requirements, and supply suitable accounting policies on a consistent basis;
- Make judgments and estimates on a reasonable basis;
- State whether applicable accounting standards have been followed and disclose and explain material departures in the financial statements; and
- Prepare the financial statements on the going concern basis, unless it is appropriate to presume that the Trade and Business Development Body will not continue in operation.

## Chief Executive's Responsibilities

The Chief Executive's responsibilities as the accountable person for the Trade and Business Development Body (including responsibility for the propriety and regularity of the public finances and the keeping of proper records) are set out in the Financial Memorandum of the Body.

**Liam Nellis**  
**Chief Executive**  
**18 June 2004**

## Statement on Internal Control

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Trade and Business Development Body policies, aims and objectives, set by the Board, North South Ministerial Council and Ministers, whilst safeguarding the public funds and Trade and Business Development Body's assets for which I am personally responsible, in accordance with the responsibilities assigned to me.

The Trade and Business Development Body is a North/South implementation body sponsored by the Department of Enterprise Trade and Investment in Northern Ireland and the Department of Enterprise Trade and Employment in Ireland. The Departments' Accounting Officers are responsible for the propriety and regularity of all resources voted to the Departments by the respective legislatures. In line with existing custom and practice in both jurisdictions, it is the responsibility of the Accounting Officers of the Departments to inter alia:

- Ensure that the Body's strategic aims and objectives are set in accordance with the Financial Memorandum;
- Ensure that his/her Department applies financial and other management controls as appropriate to safeguard the public funds provided to the Body in support of its operations;
- Ensure that controls being applied by the Body conform to the requirements of economy, propriety and good financial management; and
- Monitor expenditure and any borrowing.

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Trade and Business Development Body's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Trade and Business Development Body for the year ended 31st December 2003 and up to the date of approval of the annual report and accounts.

The Management and Executive Board of the Trade and Business Development Body recognise that risk is an inherent element in the pursuit of the Body's mission to lead the development of the island economy in the areas of cross-border trade and business development. It is acknowledged that understanding and managing risk is an integral part of its mission and strategic goals. In this regard, processes to identify, assess and manage key areas of risk will be regularly reviewed and amended as the Board and management deem appropriate to ensure that actions support the Body's aims whilst ensuring compliance with external stakeholders expectations.

The Trade and Business Development Body will consider regular risk management reports which identify, assess and set out the management of the risks facing the Body on an annual basis - or as necessary. This consideration will be with a view to assessing the accuracy of the risk profile of the Body and the appropriateness of the management of, and response to, these risks.

The Body has ensured that procedures are in place for verifying that aspects of risk management and internal control are regularly reviewed and reported on. The full risk and control assessment has been completed and reviewed in the year ended 31 December 2003. Risk management has been incorporated more fully into the corporate planning and decision making processes of the Trade and Business Development Body.

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal controls. 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 Trade and Business Development Body, 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. I have been advised on the implications of the result of my review of the effectiveness of the system of internal controls by the Board and the Audit Committee. A plan to address weaknesses and ensure continuous improvement of the system is in place. Processes in place for maintaining and reviewing the effectiveness of the system of internal control during the year ended 31st December 2003 include:

- The formal adoption of a Risk Management Policy Statement by the Board,
- The review and update the record of risks facing the organisation,
- Development and maintenance of an organisation-wide risk register,
- Quarterly meetings of the Audit Committee to consider and advise on matters arising around the system of internal control,
- The preparation of a Fraud Policy for consideration by the Board, (adopted in February 2004) and,
- Increasing the frequency of internal audits.

The Trade and Business Development Body has outsourced the Internal Audit function which operates to appropriate standards. Internal Audit submit two reports per annum which includes their independent opinion on the adequacy and effectiveness of the Trade and Business Development Body's system of internal control together with recommendations for improvement.

**Liam Nellis**  
Chief Executive  
18 June 2004



## TRADE AND BUSINESS DEVELOPMENT BODY

### **The Certificate of the Comptrollers and Auditors General to the Northern Ireland Assembly, the House of Commons and the Houses of the Oireachtas**

We have audited the financial statements on pages 60 to 76. Our audit has been carried out pursuant to the provisions of the North/South Co operation (Implementation Bodies) (Northern Ireland) Order 1999 and the British-Irish Agreement Act 1999 which require us to audit and certify, in co operation, the financial statements presented to us by the Body.

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

The responsibilities of the Board of the Body and the Chief Executive, including those pertaining to the preparation of the accounts and the regularity of financial transactions are set out in the Statement of Responsibilities on page 57. It is our responsibility to audit the accounts. As a result of our audit we express an opinion on the accounts.

We review whether the statement on page 58 reflects the Body's compliance with applicable guidance on corporate governance and report any material instance where it does not do so, or if the statement is misleading or inconsistent with other information we are aware of from our audit of the accounts. We also report if, in our opinion, the Foreword or other information in the Annual Report is not consistent with the accounts.

### **Basis of Opinion**

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

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

We have obtained all the information and explanations which were necessary for the purposes of our audit.

### **Opinion**

In our opinion:

- proper accounting records have been kept by the Body and the accounts, which are in agreement with them, give a true and fair view of the state of the affairs of the Body at 31 December 2003 and of its transactions, total recognised gains and losses and cash flows for the year then ended and have been properly prepared in accordance with the accounts direction issued under the governing legislation.
- in all material respects the expenditure and income have been applied to the purposes intended by the Northern Ireland Assembly, Parliament and Dáil Éireann and the financial transactions conform to the authorities which govern them.

#### **J.M. Dowdall**

Comptroller and Auditor General for Northern Ireland  
106 University Street  
Belfast  
BT7 1EU  
29th June 2004

#### **John Purcell**

Irish Comptroller and Auditor General  
Dublin Castle  
Dublin 2  
29th June 2004

## Income and expenditure account for Financial Period 1 January 2003 - 31 December 2003

	Notes	2003 £	2002 £	2003 €	2002 €
<b>INCOME</b>					
Revenue Grants from Departments	2	6,332,612	4,346,495	9,160,122	6,915,707
Capital Grant Release from Departments	11.2	74,945	114,191	108,408	181,690
Other Operating Income	3	57,498	21,750	83,172	34,607
<b>TOTAL INCOME</b>		6,465,055	4,482,436	9,351,702	7,132,004
<b>EXPENDITURE</b>					
Staff Costs and Board Remuneration	4	1,334,968	1,173,851	1,931,032	1,867,714
Depreciation	8	74,945	114,191	108,408	181,690
Other Operating Costs	6	830,935	886,010	1,201,948	1,409,730
Programme Costs	7	3,904,146	3,024,687	5,647,346	4,812,579
		6,144,994	5,198,739	8,888,734	8,271,713
<b>Surplus/(Deficit) for the period</b>		320,061	(716,303)	462,968	(1,139,709)
<b>Surplus/(Deficit) transferred to General Fund</b>		320,061	(716,303)	462,968	(1,139,709)

The Body has no recognised gains or losses other than the results for the period as set out above.

All amounts above relate to continuing activities.

The notes on pages 63 to 75 form part of these accounts.

## Balance Sheet as at 31 December 2003

	Notes	2003 £	2002 £	2003 €	2002 €
<b>FIXED ASSETS</b>					
Tangible Assets	8	193,832	260,154	274,330	399,493
<b>CURRENT ASSETS</b>					
Debtors	9	96,667	53,655	136,813	82,393
Cash at bank and in hand	12.2	589,725	102,638	834,638	157,610
		686,392	156,293	971,451	240,003
<b>CURRENT LIABILITIES</b>					
Creditors - amounts due in less than one year	10.1	1,162,712	952,674	1,645,586	1,462,926
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<b>(476,320)</b>	<b>(796,381)</b>	<b>(674,135)</b>	<b>(1,222,923)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>(282,488)</b>	<b>(536,227)</b>	<b>(399,805)</b>	<b>(823,430)</b>
Creditors - amounts due in more than one year	10.2				
<b>TOTAL ASSETS LESS TOTAL LIABILITIES</b>		<b>(282,488)</b>	<b>(536,227)</b>	<b>(399,805)</b>	<b>(823,430)</b>
<b>Financed by:</b>					
<b>CAPITAL AND RESERVES</b>					
General Fund	11.1	(476,320)	(796,381)	(674,135)	(1,222,923)
Capital Grant Reserve	11.2	193,832	260,154	274,330	399,493
		<b>(282,488)</b>	<b>(536,227)</b>	<b>(399,805)</b>	<b>(823,430)</b>

Liam Nellis  
Chief Executive  
18 June 2004

The notes on pages 63 to 75 form part of these accounts.

## Cash Flow Statement for the year 1 January 2003 - 31 December 2003

	Notes	2003 £	2002 £	2003 €	2002 €
<b>OPERATING ACTIVITIES</b>					
Net Cash Inflow/(Outflow) from Operating Activities	12.1	496,258	(174,957)	690,004	(297,561)
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>					
Payments to Acquire Tangible Fixed Assets		(17,884)	(11,837)	(25,311)	(18,178)
<b>DISPOSAL PROCEEDS</b>		90		130	
<b>FINANCING</b>					
Grant Received for Capital Purposes	8	8,623	21,098	12,205	32,398
<b>Increase/(Decrease) in Cash</b>		<b>487,087</b>	<b>(165,696)</b>	<b>677,028</b>	<b>(283,341)</b>

The notes on pages 63 to 75 form part of these accounts.

# NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31 DECEMBER 2003

## 1. ACCOUNTING POLICIES

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### 1.1 Accounting Convention

The financial statements have been prepared in accordance with the historical cost convention.

Without limiting the information given, the financial statements are prepared on an accruals basis and comply with the accounting and disclosure requirements of the Companies (Northern Ireland) Order 1986, the Irish Companies' Acts 1963 to 2003, the accounting standards issued or adopted by the Accounting Standards Board and accounting and disclosure requirements issued by the Department of Finance and Personnel, and the Department of Finance, insofar as those requirements are appropriate.

### 1.2 Fixed Assets

- a) Tangible Fixed Assets are included at cost or valuation to the Body
- b) Depreciation is calculated to write off the cost or revalued amounts of fixed assets within their useful lives. The methods adopted and rates used per annum are as follows:

Office Equipment	15% straight line
Fixtures & Fittings	15% straight Line
Computer Equipment	33.33% straight line
- c) A capitalisation threshold of £500 has been applied in the accounts during 2003.

### 1.3 Pension Costs

During the period, some of the staff employed by the Body were on secondment. The first permanent staff member commenced employment from April 2001. The seconded staff all remained members of their respective pension schemes and the Trade and Business Development Body reimbursed their employers. The Department of Finance and Personnel, the Department of Finance and the Government Actuaries Department have been preparing a new pension scheme specifically for North/South implementation bodies. Although work on the new scheme is fairly advanced it is unlikely to be available to permanent staff until mid-2004.

### 1.4 Value Added Tax

The Trade and Business Development Body was not in a position to reclaim VAT. Therefore VAT is included as expenditure and where appropriate capitalised in the value of Fixed Assets.

### 1.5 Foreign Currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the Balance Sheet date. Transactions in foreign currencies are recorded at the date of the transactions. Realised gains and losses are taken to the Income and Expenditure Account. Translated amounts have been disclosed in the Income and Expenditure Account, the Cash Flow Statement, the Balance Sheet and the related notes in EURO (€). The rate used for the Balance sheet was £1=€1.4153 and the rate used for the Income and Expenditure was £1=€1.4465.

### 1.6 Capital Grant Reserve

Grants for Capital purposes are credited to a Capital Grant Reserve and released to the Income and Expenditure Account over the expected useful lives of the assets.

### 1.7 Leases

Rentals paid under operating leases are charged to operating costs on a straight line basis over the terms of the lease.

## 2. GRANT FROM THE DEPARTMENTS

### 2.1 Financial Period 1 January 2003 - 31 December 2003

	DETI £	DETI €	DETE £	DETE €	TOTAL £	TOTAL €
Revenue Grant	2,097,636	2,979,439	4,234,976	6,180,683	6,332,612	9,160,122
Capital Grant	2,874	4,068	5,749	8,137	8,623	12,205
	<b>2,100,510</b>	<b>2,983,507</b>	<b>4,240,725</b>	<b>6,188,820</b>	<b>6,341,235</b>	<b>9,172,327</b>

The total Euro receipts are expressed per accounting policy 1.5. Grants shown from DETE and DETI reflect the actual respective Euro and Sterling grants received during 2003.

### 2.2 Financial Period 1 January 2002 - 31 December 2002

	DETI £	DETI €	DETE £	DETE €	TOTAL £	TOTAL €
Revenue Grant	1,426,614	2,290,863	2,919,881	4,624,844	4,346,495	6,915,707
Capital Grant	7,033	10,799	14,065	21,599	21,098	32,398
	<b>1,433,647</b>	<b>2,301,662</b>	<b>2,933,946</b>	<b>4,646,443</b>	<b>4,367,593</b>	<b>6,948,105</b>

The Body was paid grants from money voted by the Northern Ireland Assembly and Dail Eireann. The NSMC, with the approval of the Finance Ministers, recommended that the grants should be split on a 2:1 basis - DETE (2) and DETI (1). The grants were paid from money appropriated by the Appropriation (Northern Ireland) Order 1999 and from money voted by Dail Eireann.

### 3. OTHER OPERATING INCOME

**in Financial Period 1 January 2003 - 31 December 2003**

Other operating income comprises:

	2003 £	2002 £	2003 €	2002 €
Bank interest received	14,045	13,519	20,317	21,510
Conference Income	43,453	8,231	62,855	13,097
	<b>57,498</b>	<b>21,750</b>	<b>83,172</b>	<b>34,607</b>



#### 4. STAFF COSTS AND BOARD REMUNERATION in Financial Period 1 January 2003 - 31 December 2003

(a) The average monthly number of employees (full time equivalent) was:

2003	2002
41	32

It should be noted that the average monthly number of employees includes new staff that were recruited during the year, together with the secondees from different Departments. Some of these secondees have now returned to their own Departments.

(b) The costs incurred in respect of these employees were:

		2002 £		2002 €
Staff Costs		1,006,567		1,601,548
Social Security Costs		73,606		117,114
Pension Costs of secondees		38,919		61,924
Total Staff Costs		1,119,092		1,780,586
Board Remuneration		51,600		82,101
Board Social Security Costs		3,159		5,027
Total Board Costs		54,759		87,128
Total Board and Staff Costs		1,173,851		1,867,714

(c) Number of employees whose emoluments (including pension contributions) for the twelve months ending 31st December 2003 fell within the following bands:

	2003	2002
£40,000 - 49,999	2	2
£50,000 - 59,999		
£60,000 - 69,999	1	2
£70,000 - 79,999		
£80,000 - 89,999	1	

(d) The Interim Chief Executive's emoluments including pension scheme contributions were as follows:


The Chief Executive's total emoluments of £67,074 comprise a salary of £57,822 and pension contributions of £9,252. In the event of premature loss of office, the Chief Executive would return to NICS. His contract is for a period of 5 years starting from 27 October 2000. The Chief Executive is a member of PCSPS (NI) Civil Service Superannuation Scheme.

(e) The total emoluments of the Board members (including the Chairman) were as follows:

2003 £	2002 £	2003 ££	2002 ££
51,600	51,600	74,640	82,101

(f) Number of Board members whose emoluments fell within the following bands:

	2003	2002
Nil - £4,999	10	10
£5,000 - £9,999	2	2
£10,000 - £14,999		

(g) The Chairman's emoluments amounted to £6,400

## 5. PERFORMANCE AGAINST KEY FINANCIAL TARGETS

The Department of Enterprise Trade and Investment and the Department of Enterprise, Trade and Employment do not consider it appropriate to set key financial targets for the Trade and Business Development Body. Annual operating plans, including predetermined performance indicators, are presented to the North South Ministerial Council and approved.

## 6. OTHER OPERATING COSTS in Financial Period 1 January 2003 – 31 December 2003

	2003 £	2002 £	2003 €	2002 €
Travel and Subsistence	83,712	74,827	121,089	119,058
Publications	22,509	47,142	32,560	75,007
Postage, Stationery, Telephone	92,030	82,457	133,121	131,198
Currency Losses	(37,903)	6,405	(54,827)	10,191
Rent and Rates	183,666	165,813	265,673	263,825
Heat, Light and Power	17,178	16,175	24,848	25,736
Maintenance	9,744	8,173	14,094	13,004
Promotion	145,101	113,737	209,889	180,967
Professional Fees	29,863	46,380	43,197	73,795
Meeting Costs	2,815	2,860	4,071	4,550
Auditor's Remuneration	25,253	28,226	36,529	44,910
Legal		1,175		1,870
Recruitment Costs	22,028	91,104	31,864	144,955
Bad Debt	157		227	
Insurance	22,114	16,485	31,988	26,229
Business Continuity Planning	12,384		17,914	
Office Expenses	15,142	7,371	21,903	11,728
Computer Expenses	84,444	71,072	122,147	113,083
Non-Capitalised Costs of Assets	14,391	21,373	20,817	34,007
Disposal of Assets	(90)		(130)	
Training	31,866	16,085	46,095	25,593
General Expenses	4,620	5,784	6,683	9,203
Bank Charges	285	236	412	375
Hosting Costs	7,133	16,453	10,318	26,178
Cleaning	18,581	17,897	26,878	28,476
Security Costs	21,388	22,594	30,937	35,949
Equipment Hire	2,524	6,186	3,651	9,843
<b>TOTAL</b>	<b>830,935</b>	<b>886,010</b>	<b>1,201,948</b>	<b>1,409,730</b>

## 7. PROGRAMME COSTS in Financial Period 1 January 2003 – 31 December 2003

	2003 £	2002 £	2003 €	2002 €
<b>7.1 InterTradeIreland Costs</b>				
All Island Research & Statistics	225,606	199,203	326,339	316,953
Awards	220,930	248,114	319,575	394,773
Changing Face of Public Purchasing	168,978	155,534	244,427	247,470
E-Commerce	22,412	117,944	32,418	187,660
Entrepreneurship		100,023		159,147
Equity/Venture Capital	676,285	637,943	978,247	1,015,031
IMI/IFEX/Bio Ireland Conference	14,515	79,463	20,996	126,434
Focus	61,402	168,276	88,818	267,744
Fusion	363,778	273,412	526,205	435,027
Technology Commercialisation	7,849		11,354	
North South Roundtable Group	10,029		14,507	
ExpertiseIreland	77,657		112,331	
Primary Alliances	48,665	125,288	70,394	199,345
Skills Availability		26,555		42,252
SME Business Development	229,301	337,262	331,682	536,617
Supply Chain	22,047	82,984	31,891	132,036
Acumen	132,646	5,791	191,872	9,214
Other	5,063	15,625	7,323	24,861
<b>7.2 Financial Assistance to Other Organisations</b>				
Focus	64,119	199,734	92,749	317,796
Fusion	923,996	251,536	1,336,560	400,219
Plato	111,399		161,138	
AME Projects	90,205		130,482	
ExpertiseIreland	321,401		464,907	
Equity/Venture Capital	105,863		153,131	
<b>TOTAL</b>	<b>3,904,146</b>	<b>3,024,687</b>	<b>5,647,346</b>	<b>4,812,579</b>

The work of the Trade and Business Development Body is reflected in its Annual Review as part of this Annual Report. The Accounts reflect that Annual Review in terms of the actual direct expenditure on these Programmes.

## 8. FIXED ASSETS in Financial Period 1 January 2003 – 31 December 2003

	FIXTURES & FITTINGS £	OFFICE EQUIPMENT £	COMPUTER EQUIPMENT £	TOTAL £
<b>Cost or Valuation</b>				
At 1st January 2003	194,801	77,900	249,757	522,458
Additions		4,195	4,428	8,623
Disposals			(1,939)	(1,939)
At 31 December 2003	194,801	82,095	252,246	529,142
<b>Depreciation</b>				
At 1st January 2003	34,471	31,491	196,342	262,304
Provision for Year	28,923	9,008	37,014	74,945
Disposals			(1,939)	(1,939)
At 31st December 2003	63,394	40,499	231,417	335,310
<b>Net Book Value at 31/12/03 £</b>	131,407	41,596	20,829	193,832
□□	185,980	58,871	29,479	274,330
<b>Net Book Value at 31/12/02 £</b>	160,330	46,409	53,415	260,154
□□	246,202	71,266	82,025	399,493

## 9. DEBTORS (amounts due within one year)

	2003 £	2002 £	2003 □□	2002 □□
Government Grants				
Other Grants				
Trade Debtors	9,124	159	12,913	245
Prepayments and Accrued Income	87,543	53,496	123,900	82,148
<b>Total</b>	96,667	53,655	136,813	82,393

## 10. CREDITORS

### 10.1 Creditors (amounts falling due in less than one year)

	2003 £	2002 £	2003 €	2002 €
Trade Creditors	340,658	528,088	482,133	810,932
Accruals	822,054	424,586	1,163,453	651,994
<b>Total</b>	<b>1,162,712</b>	<b>952,674</b>	<b>1,645,586</b>	<b>1,462,926</b>

### 10.2 Creditors (amounts falling due in more than one year)

	2003 £	2002 £	2003 €	2002 €
Trade Creditors				

## 11. RESERVES

### 11.1 General Fund

	2003 £	2002 £	2003 €	2002 €
General Fund Opening Balance	(796,381)	(80,078)	(1,222,923)	(212,057)
Surplus/(Deficit) for the Period	320,061	(716,303)	462,968	(1,139,709)
Difference on Foreign Exchange Translation			85,820	128,843
<b>General Fund Closing Balance</b>	<b>(476,320)</b>	<b>(796,381)</b>	<b>(674,135)</b>	<b>(1,222,923)</b>

### 11.2 Capital Grant Reserve

	2003 £	2002 £	2003 €	2002 €
Opening Balance	260,154	353,247	399,493	580,489
Capital Grants Received	8,623	21,098	12,205	32,398
Less: Transfer to Income & Expenditure	(74,945)	(114,191)	(108,408)	(181,690)
Adjustment for Fixed Asset Disposal				
Difference on Foreign Exchange Translation			(28,960)	(31,704)
<b>Capital Grant Reserve Closing Balance</b>	<b>193,832</b>	<b>260,154</b>	<b>274,330</b>	<b>399,493</b>

## 12. NOTES TO CASH FLOW STATEMENT

### 12.1 Reconciliation of surplus/(deficit) for the Financial Period 1 January 2003 - 31 December 2003 to net cash inflow from operating activities

	2003 £	2002 £	2003 €	2002 €
Surplus (Deficit) for the year	320,061	(716,303)	462,968	(1,139,709)
<b>Adjustment for non cash transactions</b>				
Profit on Asset Disposal	(90)		(130)	
Depreciation	74,945	114,191	108,408	181,690
Transfer from Capital Grant Reserve	(74,945)	(114,191)	(108,408)	(181,690)
<b>Adjustments for movements in working capital</b>				
(Decrease)/Increase in debtors	(43,012)	(14,028)	(54,420)	(17,274)
(Decrease)/Increase in creditors	219,299	555,374	195,766	811,041
Difference on Foreign Exchange Translation			85,820	48,381
<b>Net cash inflow from operating activities</b>	<b>496,258</b>	<b>(174,957)</b>	<b>690,004</b>	<b>(297,561)</b>

### 12.2 Reconciliation of net cash inflow to movement in net debt

	2003 £	2002 £	2003 €	2002 €
Cash at Bank and in hand at 1 January 2003	102,638	268,334	157,610	440,951
Net Cash Inflow	487,087	(165,696)	677,028	(283,341)
Difference on Foreign Exchange Translation				
Cash at Bank and in hand at 31 December 2003	589,725	102,638	834,638	157,610



## 13. CAPITAL COMMITMENTS

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### 13.1 Capital commitments at 31 December 2003 for which no provision has been made

	£
Contracted	
Authorised but not Contracted	
<b>Total</b>	

### 13.2 Other Commitments

	<b>2,141,680</b>
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The commitment relates mainly to letters of offer which were issued prior to the year end in respect of ACUMEN, FUSION, Microentrprise and other programmes.

## 14. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 December 2003.

## 15. RELATED PARTY TRANSACTIONS

The Trade and Business Development Body is a cross border implementation body sponsored by the Department of Enterprise Trade and Investment in Northern Ireland and the Department of Enterprise Trade and Employment in Ireland.

The above named departments are regarded as related parties. During the year the Trade and Business Development Body has had various transactions with these Departments and with other entities for which the Department of Enterprise Trade and Investment or the Department of Enterprise Trade and Employment are regarded as a parent Department. There were also transactions with Construction Service and Business Development Service (BDS), which are executive agencies of DFP.

### (I) TRANSACTIONS INVOLVING SENIOR MANAGEMENT

There were no transactions involving the senior management team members during the year.

### (II) TRANSACTIONS INVOLVING BOARD MEMBERS

#### (a) Beneficial Interests

The Body works with many private sector organisations including organisations in which Board Members have a beneficial interest. Transactions during the year with such organisations, which were all conducted at arms length and were subject to normal project and programme rules and tendering procedures, where appropriate, are listed below:

#### Services Supplied to the Body (inclusive of VAT where applicable)

Board Member	Mr Feargal McCormack
Organisation	FPM, Chartered Accountants
Amount Paid 2003	£9,517.50

#### (b) Non Beneficial Interests

The Body also works with many public/private funded organisations with whom joint projects and transactions have been undertaken during the year. The following board members and key management staff held official positions in these organisations.

Board Member	Ms Jackie Harrison
Organisation	Irish Business and Employers Confederation (IBEC)
Position Held	Director of Social Policy

## 16. OBLIGATIONS UNDER LEASES

Annual commitments under non-cancellable operating leases are as follows:

	Land & Buildings				Other			
Operating Leases which Expire	2003 £'000	2003 €'000	2002 £'000	2002 €'000	2003 £'000	2003 €'000	2002 £'000	2002 €'000
Within one year								
In two to five years					4	6	4	6
Over five years	159	225	159	244				
<b>TOTAL</b>	<b>159</b>	<b>225</b>	<b>159</b>	<b>244</b>	<b>4</b>	<b>6</b>	<b>4</b>	<b>6</b>

## 17. LOSSES AND SPECIAL PAYMENTS

There has been no losses and special payments.

## 18. FINANCIAL INSTRUMENTS, LIQUIDITY, INTEREST RATE AND FOREIGN CURRENCY RISK

### 18.1 Financial Instruments

Due to the non-trading nature of its activities and the way the Body is financed, the Body is not exposed to the degree of financial risk faced by business entities. The Body has very limited powers to borrow or invest surplus funds, and financial assets and liabilities are generated by day-to-day operational activities and are not held to change the risks facing the Body in undertaking its activities.

The Body's financial instruments mainly consist of cash, trade debtors and trade creditors.

### 18.2 Liquidity, Interest Rate and Foreign Currency Risk

The Body's net revenue resource requirements are financed by resources voted annually by the Assembly or Parliament and the Oireachtas, as largely is its capital expenditure. It is not therefore exposed to significant liquidity risks. The Body does not access funds from commercial sources and so is not exposed to significant interest rate risk. The Body's transactions are effected in the currencies of each part of Ireland, with realised gains and losses being taken to the Income and Expenditure Account. The Body's exposure to foreign currency risk is not significant as it receives agreed levels of funding from its sponsoring departments, the Department of Enterprise Trade and Investment and the Department of Enterprise Trade and Employment, in sterling and euro respectively, and does not engage in trading activities. However, as the Body receives two thirds of its funding from DETE, in euro, yet discharges the majority of its transactions in sterling it is exposed to foreign currency risk to a limited degree.

## APPENDIX A

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### InterTradeIreland

ACCOUNTS DIRECTION GIVEN BY THE NORTHERN IRELAND DEPARTMENT OF ENTERPRISE TRADE AND INVESTMENT, AND THE IRISH DEPARTMENT OF ENTERPRISE TRADE AND EMPLOYMENT WITH THE APPROVAL OF THE FINANCE DEPARTMENTS, (DEPARTMENT OF FINANCE AND PERSONNEL AND DEPARTMENT OF FINANCE) IN ACCORDANCE WITH THE NORTH/SOUTH CO OPERATION (IMPLEMENTATION BODIES) (NORTHERN IRELAND) ORDER 1999 AND THE BRITISH-IRISH AGREEMENT ACT 1999.

The annual accounts shall give a true and fair view of the income and expenditure and cash flows for the financial year, and the state of affairs at year-end. Subject to this requirement, the Body shall prepare accounts for the financial period ended 31 December 2000 and subsequent years in accordance with:

- a) the North/South Implementation Bodies Annual Reports and Accounts Guidance;
- b) other guidance which Finance Departments may issue from time to time in respect of accounts which are required to give a true and fair view;
- c) any other specific disclosures required by sponsoring Departments;

except where agreed otherwise with Finance Departments, in which case the exception shall be described in the notes to the accounts.

Signed by authority of the:

Department of Enterprise  
Trade and Investment

**A W Hamilton**

Department of Enterprise  
Trade and Employment

**Ronald Long**

Dated: 21 June 2001

A large type version of this text is available  
on request from Inter*Trade*Ireland.

The text is also available on the Inter*Trade*Ireland  
website at **[www.intertradeireland.com](http://www.intertradeireland.com)**

Additional requirements will also be facilitated.

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