

# Annual Review of Activities and Annual Accounts 2005









# Joint Ministerial Foreword

We are pleased to introduce InterTradelreland's Annual Report for 2005. The past year has seen important progress in the development of our shared vision of a globally competitive all-island economy.

Globalisation is presenting similar opportunities and challenges for both North and South. The future economic success of this island depends on the innovation and creativity of its people in the transition to a knowledge economy. Across all strands of economic activity, there is a growing realisation that North/South co-operation can boost competitiveness and prosperity.

The development of the all-island economy is important for individual businesses across the island of Ireland, as well as improving the competitiveness environment. The benefits of all-island economic co-operation are demonstrable and clear cut.

The work of InterTradelreland is central to creating the means by which businesses across the island can access information and develop opportunities to grow their enterprise on an all-island basis. This Annual Report details significant achievements including the introduction of the INNOVA programme which brings together companies in collaborative high level research and development and the establishment of the All-Island Software Network, a partnership between The Irish Software Association of IBEC, Momentum Northern Ireland and InterTradelreland to address the opportunities of all-island collaboration in this critical sector.

InterTradelreland is committed to continuing the development of sectoral and other specialised all-island networks that encourage collaboration to enable indigenous businesses to benchmark themselves against the best in the world. InterTradelreland will continue to deliver programmes and activities that can offer support to indigenous businesses to tap into the opportunities of the all-island economy.

We would like to extend our gratitude to the Chairman, the Board members, the Chief Executive, senior management team and the staff for their hard work and commitment over this past year.

We wish to record our appreciation for the valued contribution made by the late Mary Breslin, who served as a Board member of InterTradelreland since its establishment. We acknowledge her unselfish public service.



*Micheál Martin*

Micheál Martin TD  
MINISTER FOR ENTERPRISE  
TRADE & EMPLOYMENT



*Maria Eagle*

Maria Eagle MP  
MINISTER FOR ENTERPRISE  
TRADE & INVESTMENT

# Chairman's Introduction

Never has the *InterTradelreland* mission statement, Collaborate to Compete, been more appropriate than over the past year. In that time we have experienced a tremendous growth in the level of interest and activity of businesses across the island of Ireland, not only in working with each other but also developing their individual business activities in a different jurisdiction.

The recognition of the need for a strong all-island economy has been there for some time and is indeed a strong part of the shared vision of both governments. Making it a business reality has been the cornerstone of our work and we are delighted to see that vision take shape.

Not least of all because we recognise that global markets are no respecters of borders. To be truly competitive we need to have an economy of scale and that starts with being strong at home.

There are a great number of factors which contribute to that vision becoming a working reality and that begins with having the right information to inform policy and business practice.

The Strategy and Policy Division of *InterTradelreland* has worked tirelessly over the year to develop new strategic initiatives and alliances and to provide a wide range of critical research, breaking a great deal of new ground with reports on Entrepreneurship on the Island of Ireland, The Knowledge Island, Business Linkages and a review of the All-Island Clothing and Textile Industry.

This work brings a critical spotlight to all-island progress on the effectiveness of existing policy and perhaps more importantly provides practical recommendations aimed at driving new methods

of working or identifying new areas of support to create a competitive advantage for our indigenous businesses.

Similarly the Programmes management and staff of the organisation have worked tirelessly to deliver innovative and meaningful initiatives to support and guide business sectors as well as individual companies.

The INNOVA programme is unique in driving cross-border collaboration in high level research and development. While it is a pilot programme at this stage it has already supported cutting edge work in the Biomed sector, bringing companies together that would normally have found themselves as competitors.

Indeed this theme of competitors collaborating to compete was further developed by the team facilitating the LogisticsXP project. The transport logistics directors of many household business names throughout Ireland came together with Barbara Anderson Consulting and *InterTradelreland* to pilot new methods of reducing costs by sharing their distribution burden.

The resulting new programme, LogisticsXP has been presented in Milan as a model for Europe and would never have been developed without the facilitation and initial funding from *InterTradelreland*.

That I believe is the secret of our success, the ability to recognise an all-island need that will benefit business and provide the expertise and support to make a real difference.

Our unique role as an all-island trade and business development body also brings with it a continuous rigorous appraisal of our remit and achievements both internally and externally.



As I have said before, the Organisation has consistently stayed within the budgetary parameters laid down in its charter but has kept as its operating guide the instinct to continuously drive value for money.

So on behalf of the Board I would like to acknowledge and thank the Chief Executive, his senior management team and the staff for such a tremendous performance in 2005.

I would also like to thank my Deputy Chairman Barry Fitzsimmons and the rest of the Board members for their unstinting commitment, unswerving support and invaluable advice over the year.

For everyone in InterTradelreland, not least me and my fellow Board Members it has also been a very sad year with the loss of our colleague Mary Breslin. Mary had served with the Board for 4 years providing a calm, assured and totally professional approach in all of her contributions and advice. She will be missed.

InterTradelreland has established 'The Mary Breslin Memorial Award' in memory of Mary Breslin. Since the establishment of the FUSION Graduate Placement Programme, Mary was a very committed member of the steering committee that oversaw the development and delivery of this programme.

Each of the FUSION graduates completes an Advanced Diploma in Management Practice at the Smurfit Business School UCD. The award will be presented to the graduate who has achieved the highest score within each cohort of the Diploma. As part of the award, a £2,000 travel scholarship will also be awarded to allow

the graduate to undertake a study visit to a business that would benefit their FUSION partner company.

In the spirit of partnership that operates with all of the business agencies across the Island, I would also like to extend my sincere thanks to our colleagues in Enterprise Ireland and Invest NI, as well as the business organisations who have worked so closely with us, CBI, IBEC, Dublin Chamber of Commerce, NI Chamber of Commerce, Enterprise Agencies, County Enterprise Boards and many more.

I would also like to pay particular tribute and thanks to the Ministers responsible for InterTradelreland, Minister for Enterprise, Trade and Investment, Maria Eagle MP and prior to that, Angela Smith MP and Minister for Enterprise, Trade and Employment, Micheál Martin TD. They have been unstinting in their encouragement and support.

As I look forward, it is with tremendous pride in what has been achieved and anticipation for the new ground I know we will break as we do every year.



A handwritten signature in black ink, appearing to read 'M. Naughton', written in a cursive style.

**Martin Naughton**  
**CHAIRMAN**

# Chief Executive's Message

Over the last year InterTradelreland has continued to provide what we believe is a unique and valuable role in initiating, leading and supporting all-island business thinking and opportunities.

I believe that providing a vehicle that has gained not just the co-operation of business but its active participation and genuine regard for the value we have delivered to the business community, has been a tremendous achievement in the relatively short life of the organisation.

Key to that success has been the fact that we have delivered on the bottom line needs of the business community throughout the island, tapping into their own recognition of the need to be competitive at home in order to be able to compete more effectively on an international stage.

In this way individual businesses have been able to access knowledge and share information through our research reports and build alliances to become more profitable and competitive through participation in our business programmes and events.

This approach has been further developed in the last year with our drive to create and foster networks of people and businesses in high growth sectors and to connect business and policy makers so that policy planning is based on a real understanding of the needs of the business community across the whole island.

2005 has been another exciting and rewarding year for all of the team and in each area of operation we have exceeded our targets and received a high level of positive feedback.

If any word best describes the core of our work in the last year it is partnership. On the basis that we practice what we preach we have worked in partnership with very many business organisations across the island to deliver innovative ideas across a wide range of operating sectors.

Our partnership with ELUPEG the representative group for logistics professionals across Europe, resulted in the development of LogisticsXP. This brought together household names in manufacturing and retailing in a pilot programme exploring the opportunities to collaborate on distribution throughout the Island. The resulting programme was presented to the ELUPEG conference in Milan and was hailed as the next generation in creating a logical collaboration in competitive companies working together to reduce transportation costs and improve bottom line profitability. This could not have been done without the financial pump priming and administrative support of InterTradelreland.

Similarly the launch of the Innova programme which has driven high level research and development by providing the right environment for mutually competitive companies to come together, pool their intellectual property and create new products and opportunities for indigenous business growth has demonstrated significant success in its very earliest stages.

Yet the partnerships we engage with are at every level of business. The continued success of our Network+Getwork programme facilitated by the Dublin Chamber of Commerce and the Northern Ireland Chamber has been demonstrated by the millions of pounds and euro worth of business made accessible to many small businesses by organisations such as An Post and BT.



It is in supporting these entrepreneurial small businesses that we have our widest reach. Whether it is through our own Seedcorn Competition, Private Equity Conference, and Acumen programme or through our support of the Ernst & Young Entrepreneur of the Year or the Deloitte Fast 50 we are committed to driving a real entrepreneurial spirit in everything we do.

Underpinning all of our activity is a sound foundation of in-depth research which is directed at informing policy and providing all stakeholders tasked with driving competitive business success with the right kind of information to shape strategic plans for the future.

While our research is based on sound academic and professional methodology it is strongly informed by the fact that we deal with thousands of individual businesses every year. For that reason reports on Entrepreneurship, the Knowledge Island and Business Linkages are even further strengthened by our ability to interpret findings and implement relevant recommendations that make a real difference in the way we will do business across the island long into the future.

While I have been looking back in this year's Annual Report I am equally excited by the work we have in place going forward. For that I would like to pay tribute to all of the staff of the organisation. Their constant enthusiasm, professionalism and innovation are a source of great pride to me and the rest of my senior management team.

I would also like to pay tribute to an inspirational Chairman and Board, who have been unfailing in their support and contribution to our work over the last year. Without their guiding hand and active involvement our work would not have the relevance we have achieved.

In the final analysis however it is our relationship with the business community throughout the Island that continues to shape our success. By building effective business relationships InterTradelreland has created an environment to make it easier to do business and increase the competitiveness of the island in the global economy.

In business, if there is an all-island opportunity, InterTradelreland is here to help make it succeed.



A stylized, handwritten signature in dark ink, appearing to read 'Liam Nellis'.

**Liam Nellis**  
**CHIEF EXECUTIVE OFFICER**

# Board Members 2005/2006



**Martin Naughton**

**CHAIRMAN INTERTRADEIRELAND**

Dr. Martin Naughton is the founder, Chairman and owner of Glen Dimplex Group, which has 4 manufacturing companies in Ireland, North and South. The Group also manufactures in the UK, Netherlands, Germany, France, Hungary, Norway, Canada, New Zealand plus has a joint venture in China.

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 was member of the Council of State in Ireland. He served on the Industrial Development Board for Northern Ireland between January 1996 and January 2000. He is Chairman of the InterTradeIreland Board since its inception from December 1999.



**Barry Fitzsimons**

**VICE CHAIRMAN INTERTRADEIRELAND,  
CHAIRMAN, EQUITYNETWORK**

Barry Fitzsimons is Senior Resident 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 fellow of the Securities Institute (MSI) and is an active manager of a 180-acre beef and sheep farm at his home in Co. Down. Barry is the Chairman of Lagan Valley Ulster Unionist Party Constituency Association and also sits on the Party Executive



**Feargal McCormack**

Feargal McCormack is Managing Partner of FPM Accountants LLP, located in Newry, Dundalk and Dungannon, which recently won the Accountancy Age UK Small Firm of the Year Award. FPM became the first professional services firm to win the NI SME Business of the Year Award in 2004. Feargal is a former Chairman of the Ulster Society of Chartered Accountants and is a Council member of the Institute of chartered Accountants in Ireland. he is also Chairman of the International Centre of Local and Regional Development (ICLRD).



**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, Young Social Innovators and a member of the Steering committee of the North South round Table Group.



**Carl McCann**

Carl McCann is Chairman of the fresh produce company Fyffes since 2003. He joined Fyffes in 1980 and was appointed Finance Director in 1983 and became Vice-Chairman in 2003. Carl has a business studies degree from Trinity College, Dublin and is a Chartered Accountant. He worked for Chartered Accountants KPMG before joining Fyffes.



**Inez McCormack**

Inez McCormack is currently senior advisor to the Global Coalition for Women's Rights/ Worker's Rights - an international coalition of women labour and human rights leaders that is connecting and supporting campaigns on women's rights and workers rights. Some of her other commitments include chairing the highly commended North/South Participation and Rights Project, a social justice programme focussed on enabling disadvantaged communities and groups to access resources and services on both parts of the island of Ireland. She also co-chairs the North South Health Services Partnership. These were among a number of projects she initiated when she was President of the Irish Congress of Trade Unions. She was the first woman to hold this post.

She has received a number of national and international awards for her 'services to human rights and the community'. These include an honorary doctorate from Queen's University and the Eleanor Roosevelt Award from the City of New York. Inez is a well-known broadcaster and writer and has participated in a number of television documentaries. She co-edited "Learning to Disagree: Peace and Development in Ireland." (1996) She contributed to "Beyond Hate" (1994), "Border Crossings" (1995), 'Women's Voices' (1996) "Being Irish" (2000), and "Truth Justice and Reconciliation" (2002). Her writings were also chosen for inclusion in "The Field Day Anthology of Irish Writing." (2002)



**Mary Ainscough**

Mary Ainscough is an Executive with Bank of Ireland Group. 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. She has worked at the School of Business Studies, Trinity College and with the Irish Management Institute, as a Lecturer in Organisational Psychology. She also held the position of Director of Equality at Dublin City University. Mary is a former CEO of the American Chamber of Commerce in Ireland.



**Robbie Smyth**

Robbie Smyth is deputy head of the Journalism and Media Communications faculty at Griffith College Dublin. Robbie is also a Sinn Fein policy advisor and journalist at An Phoblacht. He was Sinn Fein General Secretary from March 2003 to March 2005.



**Jack Gilmour**

Jack Gilmour started his working life in a family controlled commercial printing company. When he was in his early twenties in 1970, this was sold and he moved into another existing family business of public houses. 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 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 at Upper Malone on the southern outskirts of Belfast, where he currently employs twenty-five staff.



**John Fitzgerald**

John Fitzgerald was appointed Dublin City Manager in 1996 and stepped down from that position in June 2006. He qualified as an Accountant while working in industry and moved to Cork as Finance Manager with Cork City Council in 1980. He subsequently took up duty as Dublin City Treasurer and was appointed Assistant City and County Manager Immediately prior to reorganisation of Local Government in Dublin in 1991. He was one of the three Managers appointed to set up the three new Dublin Counties – Fingal, South Dublin and Dun Laoghaire Rathdown - and became the first County Manager of South Dublin County. He was Chair of the Steering Group which prepared and monitored the Strategic Planning Guidelines for the Greater Dublin Area.

He has contributed to the work of a number of bodies involved in promotion of Local Government nationally and internationally. In June last, he was appointed Chairman of the newly formed Grangegorman Development Agency which was established by Government to provide a campus for D I T and its 20,000 students together with Health Services Agency requirements and other facilities at a location close to the city centre. John is currently involved, as board member and otherwise, with a number of other public and private sector bodies.

# Organisation and Staffing Profile

## Chief Executive and Directors



**Liam Nellis**  
CHIEF EXECUTIVE OFFICER

Liam has a Law Degree from the University of London and a M.Sc from the University of Ulster. He joined the Northern Ireland Civil Service in 1973 and has been involved in many economic development issues including labour market, tourism and small business policy. In 1990 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 InterTradelreland 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.



**Catriona Regan**  
OPERATIONS 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.



**Aidan Gough**  
STRATEGY & POLICY DIRECTOR

Aidan is responsible for developing the strategic direction of InterTradelreland 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 InterTradelreland, Aidan was Director of the Northern Ireland Economic Council.



## InterTradelreland Staff – June 2006

### CORPORATE SERVICES DIRECTORATE



#### FROM L-R

**Sandra Hearty** Receptionist  
**Bronagh Morgan** Administrative Officer  
**Brian Cleland** IT Manager  
**Bernie Donaghy** Finance Manager  
**Laurence Lord** Corporate Services Director  
**Christine Currie** Finance Executive  
**Gerry Campbell** Facilities Manager  
**Dara Cosgrove** Communications Manager  
**Shelley Moore** Communications Executive  
**Sharon Hughes** Human Resources Manager

#### NOT PICTURED

**Paula Butler** Human Resources Executive  
**Joanna McLoughlin** Administrative Officer  
**Caroline Moore** PA to Chief Executive

### OPERATIONS DIRECTORATE



#### FROM L-R

**Julie Jordan** Operations Manager  
**Nicola McGuinness** Operations Executive  
**Bernie Doran** Project Manager  
**Paddy Savage** Operations Manager  
**Gráinne Lennon** Deputy Operations Manager  
**Catriona Regan** Operations Director  
**Carrie Small** Operations Executive  
**Conor MacNamara** Project Manager  
**Grant Gilmore** Operations Manager  
**Jenny Williamson** Deputy Operations Manager  
**Anne-Marie Kearns** Operations Executive

#### NOT PICTURED

**Margaret Hearty** Operations Manager  
**Gary Stokes** Deputy Operations Manager  
**Dianne Fee** Deputy Operations Manager  
**Denise McCreesh** Operations Executive

### STRATEGY & POLICY DIRECTORATE



#### FROM L-R

**Aaron Kehoe** Student Placement  
**Orla McGlennon** Project Appraisal Manager  
**Christopher Ryan** Policy Research Manager  
**Aidan Monaghan** Manager Performance  
**Patricia Doran** Administrative Officer  
**Aidan Gough** Strategy & Policy Director  
**Marian McAneney** Science & Technology Manager  
**Harry Hamill** Policy & Planning Manager  
**Dermot O'Doherty** Senior Advisor  
**Siobhan Treanor** Temporary Administration Officer

#### NOT PICTURED

**Anne McMinn** Administrative Officer  
**Janet Toal** Policy Executive  
**Bernie McGahon** Science & Technology Manager

# Staffing Profile

## January – December 2005

The Body continued to recruit its full complement of permanent staff.

During 2005 the following posts were filled:

- Policy Research Manager
- Administrative Officer
- Receptionist
- Deputy Manager –  
Performance management

All the vacancies were advertised across the island of Ireland and attracted substantial interest with over 90 applications returned. Applications were of a high calibre in terms of experience and skills.

The target headcount for the Body is 42 permanent members of staff and actual headcount on 31 December 2005 was 40 staff comprising 39 permanent staff and 1 secondee (from Forfas).

GRADE	NO
CEO	1
Director	3
Manager	14
Deputy/Project Manager	7
Executive	10
Administrative	5
TOTAL	40

Breakdown of permanent staff  
on 31 December 2005 by grade





# INTERTRADEIRELAND STRATEGY



InterTradelreland's Mission, expressed in the 2005-2007 Corporate Plan, is to enhance the competitiveness of the all-island economy to the mutual benefit of Ireland and Northern Ireland through measures such as the creation of knowledge-intensive all-island trade and business development networks and the implementation of all-island trade and business development programmes.

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 Strategic Goal 2005-2007.**

InterTradelreland has one key strategic objective within the life of the 2005-2007 Corporate Plan:

#### **To increase the number, effectiveness and value of all-island trade and business development networks.**

In driving to achieve this strategic objective, InterTradelreland will enhance the trading, business development and ultimately the international competitiveness of businesses across the island of Ireland.

InterTradelreland has defined three discreet **Direct Impact Measures** to satisfy the imperative to ensure that the public resources which we utilise deliver value for money in ways which align with the organisation's legislative remit and strategic goal.

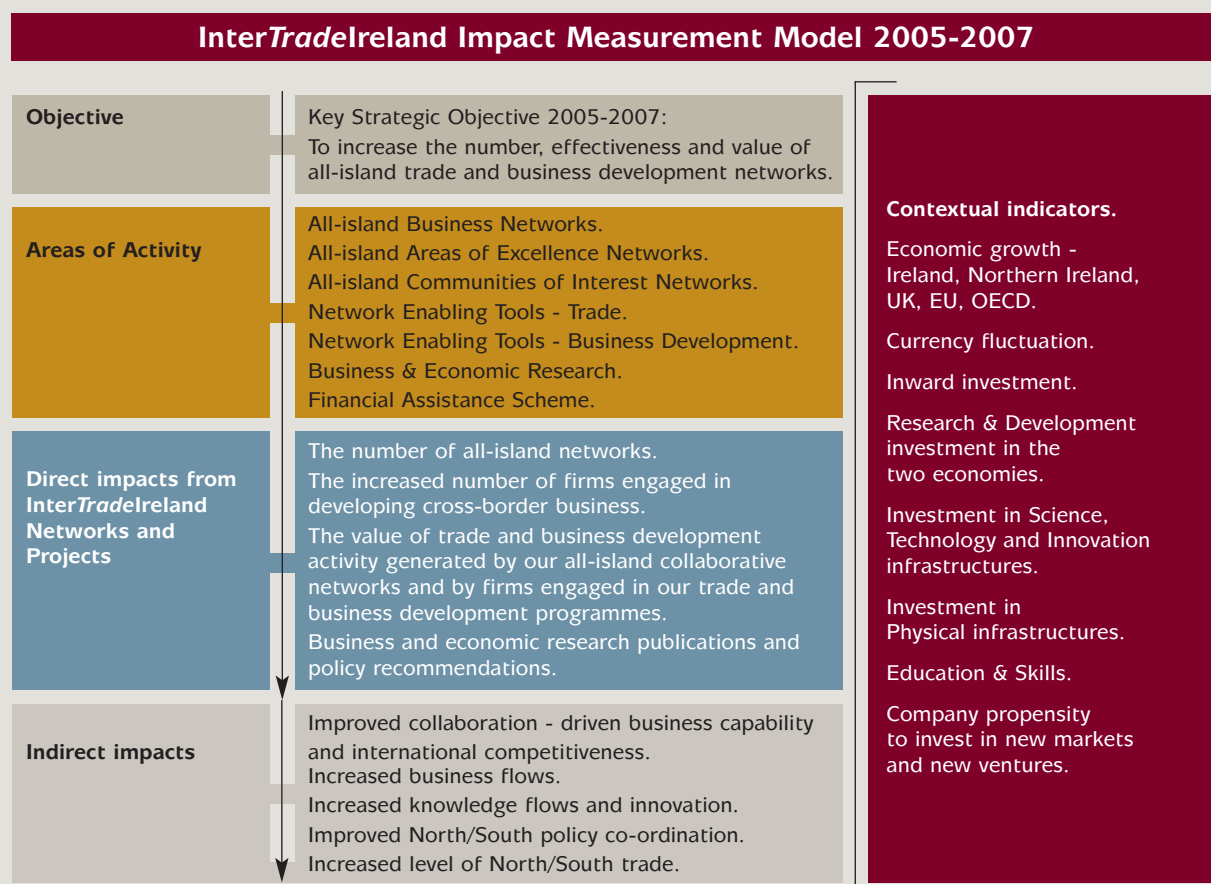
- TYPE 1: The number of InterTradelreland's collaborative all-island networks and the outputs of those networks.
- TYPE 2: The increased number of firms engaged in developing cross-border business through our networks and our trade and business development programmes.
- TYPE 3: The value of trade and business development activity generated by our all-island collaborative networks and by firms engaged in our trade and business development programmes.

Quantitative and qualitative performance data is gathered and collated on an on-going basis and is presented within the 2005 Business Plan Performance Report below. This includes information of our business and economic research reports and associated policy recommendations, work within a number of North/South policy and operational Secretariats with which we are engaged, the outputs of North/South partnerships which we are supporting, and new online all-island services which we have created and are delivering.



**Indirect Impacts** reflect the medium to longer-term impact of InterTradelreland programmes and initiatives. Significant indirect impacts are; improved business capability and competitiveness, increased business and knowledge flows and innovation, improved North/South policy co-ordination and an increased level of North/South trade. InterTradelreland is continuing to develop those systems which 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 Indirect 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.





# SUMMARY OF BUSINESS PLAN AND PERFORMANCE REPORT 2005



InterTradelreland's key strategic objective for 2005 was to increase the number, effectiveness and value of all-island trade and business development networks. In working towards this objective we sought to enhance the trading, business development and ultimately the international competitiveness capability of businesses on the island.

Each of our individual projects defined their target outputs and impacts which have been aggregated together to allow us to report against the following organisationally specific indicators:

- The number of networks and the outputs of those networks.
- The increased number of firms engaged in developing cross-border business.
- The value of trade and business development activity generated by all-island collaborative networks and by firms engaged in cross-border business.

**The number of all-island Networks (Sector Specific, Areas of Excellence and Community Interest) which we have in place and which we are developing.**

**Business Plan Target: 15  
Achieved 2005: 19**

**Sector-specific business networks:**

- BioMedIreland
- Lionra
- Bord Bia/NIFDA Food Network
- All-Island Software Network
- Polymer & Plastics
- North West Science & Technology Partnership



BioMedIreland, an all-island network for the health technology and biotechnology industries, is a strategic partnership between InterTradelreland and the Irish Medical Devices Association, BioBusiness Northern Ireland and the Irish BioIndustry Association.

In 2005 BioMedIreland held workshops and events as follows:

- Quality Systems & Regulatory Affairs
- A Health & Life Sciences Business Planning
- Innovation and Entrepreneurship on Technology Path Finding
- Sales and Marketing
- Quality Systems and Regulatory Affairs on Software & e-Labeling Issues and
- Networking event 'Where Physics Meets Medicine.'

The data for the first all-island economic impact survey for the biotechnology and health technology sectors was collected in the latter part of the year and collated for publication early in 2006. The first Supply Chain Management database for the sector was launched in CD-ROM format in November 2005.

This business resource allows companies operating in the medical, diagnostic and biotechnology sectors to identify suppliers and promote their products and services. The database contains information on the services of over 150 companies across a range of product categories.

## Lionra

Lionra has brought together a total of 62 companies representing fashion, textile, jewellery and giftware. This consortium stimulates business development co-operatively and on behalf of the member companies, increases communication and trade among the member companies and will increase trade by the member companies in international markets. Activities in 2005 centred upon the production of the corporate brochure and the development of a Skillnets application which included a training needs analysis exercise and intensive mentoring to develop the potential of network participants.

## Bord Bia/NIFDA Network

The All-Island Food Network, in association with Bord Bia and the Northern Ireland Food & Drink Association, was established to create a best practice network through bringing a targeted group of food and drink companies, from Northern Ireland and Ireland, to the US to examine the changing characteristics of the global food market. The network focuses upon the emerging trends and their likely impact on Irish Food Manufacturers.

The Network undertook a Best Practice visit to Cornell University in June 2005, with 18 organisations represented. The PERIscope III study collected, analysed and interpreted consumer survey information from Northern Ireland, Ireland and Great Britain on consumer attitudes to food. This included purchase, preparation and consumption patterns.

Over 3,000 consumers were surveyed for the reports and the findings were disseminated through Bord Bia, Invest NI and InterTradelreland to client companies and other interested parties. The activities of the Network also included addressing issues on branding and innovation and included presentations to members from Innovaro, the Cranfield School of Management and leading market researchers.



The All-Island Software Network is a partnership between the IBEC Irish Software Association, Momentum in Northern Ireland and InterTradelreland. The objectives of the Network are to address the common strategic issues facing both trade associations and their members, and this will include the use of InterTradelreland's programmes such as Go Tender, Fusion and EquityNetwork.

The Feasibility Study for the establishment of an All-Island Wireless Testbed and Certification Facility was completed in 2005 and included a positive recommendation to examine potential funding and governance options.

## Polymer & Plastics Network

In 2005 the Network commissioned the report 'Competitive Analysis of the Polymer & Plastics Industry on the Island of Ireland'. The report will provide an analysis of the competitive performance of the island's polymer & plastics sector and the factors which underlie its relative performance.

Interviews with sector companies North and South, representing processors, customers and suppliers have been completed and the interim report, completed in November 2005, provided a baseline review of the sector and identified suitable areas for all-island collaboration.

### **North West Science & Technology Partnership**

In 2005, InterTradelreland added another business network to its portfolio - the North West Science and Technology Partnership.

The North West Science & Technology Partnership is a partnership between industry, academia and other key stakeholders to promote, support and strengthen science and technology-based innovation and business in the North West region of the island. The Partnership will act as a high profile interdependent catalyst, providing networking activities, knowledge sharing and services that identify and increase collaborative research/business opportunities across the region.

### **Network Support & Facilitation**

The creation, development and exploitation of business networks is at the core of InterTradelreland's Strategic Plan 2005-2007, and has become a significant focus of policy in both jurisdictions. InterTradelreland commissioned a report on "Mapping Business Networks across the Island of Ireland". This revealed that there are more than 100 networks, involving nearly 10,000 firms.

All of the main development agencies on the Island were involved in the design of this study. In conjunction with a Network+Getwork event for the creative media, InterTradelreland organised a meeting of managers and facilitators of a range of networks, North and South, as part of a 'networking the networks' exercise.

### **Feasibility Study into the Establishment of an All-Island IP & Technology Transfer Service**

This report provided initial recommendations on how the universities on the island can work together to maximise exploitation of research results. The core recommendations included the establishment of a strategy task force on technology marketing and the establishment of a subgroup of Universities Ireland to advise on IP management and technology transfer policy issues. The report has been endorsed and approved by a working group of all the university technology transfer professionals.

### **Areas of Excellence Networks:**

- **EquityNetwork**
- **Supply Chain Ireland**
- **All- Island Best Practice Forum**
- **All- Island Benchmarking**

InterTradelreland has been instrumental in the creation and exploitation of a number of major Areas of Excellence Networks.





InterTradelreland EquityNetwork works to promote private equity to accelerate business growth. The programme helps stimulate demand for private equity through a number of initiatives including a dedicated private equity expert to help with signposting and advice. Initiatives include an annual private equity conference, the establishment of business angel networks across the island and an annual all-island Seedcorn business competition to find the best start-up businesses.

This year's Private Equity Conference was opened by Minister Micheál Martin TD in Dublin Castle on 9 March 2005. The conference was attended by over 270 delegates participating from the venture capitalist, early stage companies, economic development and financial services communities. The conference was hailed as an outstanding success.

In October 2005, short-listing took place for the 2005 Seedcorn Competition, a competition with a prize of (£158,621) €230,000 for the best business plans on the island. Out of 114 business plans received, 24 companies were selected to participate in the seven regional finals held during November. The venues for the regional finals were held in Newry, Cork and Galway. A total of 8 regional winners were selected by the judges with joint winners in the Dublin region. These 8 finalists participated in 2 master classes organised by EquityNetwork

in Dublin and Belfast. On 8th December 2005 the overall final was held in the Burlington Hotel, Dublin, with the judging panel chaired by Mr Denis O'Brien. At the Awards Ceremony that evening Martin Naughton, Chairman of InterTradelreland, presented the overall award to Sigmoid Biotechnologies for their innovative drug delivery product.

In 2005, the Business Angel Network (Ireland) was established in partnership with Enterprise Ireland and Dublin BIC. Development of the network was advanced by the appointment of 2 regional co-ordinators, in Cork and Galway, who have worked through the local Business Innovation Centres to promote the partnership across the regions. The year ended with the Halo NI Business Angels network announcing their first investment of £36,000 (€52,000) and although modest in size, it is a major milestone for the programme. A total of 30 Business Angels were recruited to the Halo NI Network in 2005.

During 2005, the Advisory Service provided detailed venture capital consultancy services to a total of 119 companies through 1:1 engagements with our venture capital professional. Education and Awareness in relation to venture capital continued throughout 2005 with Round Table events being held in Dublin and Galway and Private Equity Seminars being held in Belfast and on the University of Ulster Magee Campus. In addition Master Classes were hosted in Dublin, Belfast and Galway. Our publication 'The Board' continued to provide insight into venture capital during 2005 with 3 new editions circulated across the island.

## Supply Chain Ireland

Supply Chain Ireland, drawing on the participation and expertise of leading public and private sector practitioners in supply chain management continued to deliver programmes of activity to develop linkages between companies across the island.



InterTradelreland, in partnership with the European Logistics Users Providers and Enables Group (ELUPEG) brought together a group of 8 large companies, which included Heinz, the Henderson Group and Argos, to take part in a ground breaking collaborative distribution pilot. The pilot demonstrated where opportunities existed for collaboration between participating companies across the island of Ireland that would reduce distribution and supply chain costs. The pilot identified cost reductions ranging from 5% to 20% for the participating companies, with estimated total potential cost reductions of £1M/c€1.47M. A further pilot directed at SMEs has been commissioned under the banner LogisticsXP.

InterTradelreland was directly involved with the NITL Logistics Ireland 2005 Conference on 6th October which provided 280 delegates with knowledge of how Supply Chain Management can help firms of all sizes across all industry sectors. In November, for the first time in its four year history, ELUPEG held its European Plenary meeting on the island of Ireland. The meeting was hosted by InterTradelreland at Belfast Castle.

The Plenary was attended by over 60 delegates drawn from the island of Ireland, United Kingdom

and other European countries. The agenda for this meeting included workshops on "Waste and the Implications of WEEE", "LSP Collaboration" and "Developing Geographic Collaboration Clusters and New Areas of Collaboration". The outcome from the three workshops brought the island of Ireland to the forefront of generating new forms of collaboration, making significant progress towards co-operation between manufacturers, transport and logistics service providers and customers.

## All-Island Benchmarking



The Irish Best Practice Forum is a consortium of Agencies North and South of the Island consisting of Enterprise Ireland, Invest Northern Ireland, Shannon Development, Údarás na Gaeltachta, Forfás and facilitated by InterTradelreland. These agencies met during 2005 to discuss Best Practice and to develop an agreed set of performance benchmarks. The Forum's aim is to support business development on the island by sharing best practice, exchanging information and raising awareness among businesses of the practical benefits of benchmarking.

The Irish Best Practice Forum held its first plenary of 2005 in Limerick, and the first Best Practice Visit of 2005 to the DELL Corporation in Limerick was attended by 25 companies across the island. In April, 8 companies took part in a 2 day visit to 3 world class manufacturing companies in South East England. Representatives from Invest NI and Enterprise Ireland also participated. In June, 15 companies from North and South participated in a Best Practice visit to SCA Packaging Ireland Ltd in Warrenpoint.

The Forum held a plenary session in September in Enterprise Ireland, Glasnevin and a further session in Newry in December where they decided on a work programme for 2006. The booklet “Benchmarking: Best Practice for SME Owners/Managers” was published and 3,200 copies were distributed to SMEs on the island through our partner agencies on the Forum.

### **All-Island Public Procurement**

Go Tender is a programme funded by InterTradelreland that aims to enhance the skills, expertise and efficiency of those who wish to win public sector business across the island. This is achieved during an intensive two day workshop and one to one mentoring sessions where companies are taught how to negotiate the bureaucracy involved by using live tenders. A total of £7.72M/c€11.33M of business has been generated by SMEs who have participated in the programme. The workshops, delivered across the island, are supported by the Central Procurement Directorate in Northern Ireland, the Department of Finance in Ireland, Enterprise Ireland and Invest Northern Ireland.

At total of 65 companies completed workshops which were held in Belfast, Dublin, Cookstown, Cork, and Galway. Due to the positive feedback from the Cookstown workshops which targeted micro enterprises through MicroTrade the workshops were repeated in Athlone in October. An interim independent evaluation of the Go Tender programme was carried out by PWC.

Quantitative results showed that 40% of the companies who participated were micro businesses who are more likely to have been first time entrants into the public procurement market on the island.

### **Community of Interest Networks:**

- **MicroTrade**
- **PLATO**
- **US/Ireland Research Partnership**
- **Universities Ireland**
- **North/South Roundtable Group - NSRG**
- **International Centre for Local and Regional Development - ICLRD.**

InterTradelreland sees the importance of providing a focal point for the creation and support of Communities of Interest Networks.



MicroTrade is a joint initiative between InterTradelreland, County & City Enterprise Boards and Enterprise Northern Ireland. The programme helps small businesses build contacts, markets and partnerships across the island of Ireland.

In April 2005, MicroTrade delivered the ‘MAIN Event’ in the Citywest Hotel in Dublin. This event was the biggest recent small business networking event on the island of Ireland and brought together over 480 delegates for different forms of networking: an evening networking session with over 200 attendees, 866 micro-to-buyer meetings, 972 micro-to-micro meetings, 6028 SpeednetworkingTM meetings and 4 cross-border trade advice sessions. An evaluation by a management economic consultant indicates a trade value of £346K/c€502K.

MicroTrade facilitated a total of 12 new linkages between the County & City Enterprise Boards and Enterprise Northern Ireland. In addition, 7 joint business development projects involving client companies of CEBs (County Enterprise Boards) and LEA (Local Enterprise Agency), client companies were supported by MicroTrade's Link-Up Funding. On 5th October 2005, 31 businesses from Women in Business Networks came together for a networking event in Sligo. In the same week, 22 food businesses participated in a mini-conference focused on exploring the potential of collaboration in distribution. A MicroTrade specific workshop of the Go Source Programme took place on 20th & 21st October in Athlone. An impressive geographical spread of 12 participants represented companies from Ireland (Kerry, South Tipperary, North Tipperary, Carlow, Laois, South Dublin, Kilkenny) with 2 companies from Northern Ireland (Larne and Armagh).

## **PLATO**

Plato Ireland is the business support forum for owner managers of small and medium enterprises (SMEs) facing the challenges of today's business world. Through a unique partnership with large "parent" companies, Plato provides SMEs with facilitated group learning, specialist expertise and advice, networking opportunities, business development training, and cross-border activities.

InterTradeIreland provides financial support for the Island regional co-ordinator to promote the PLATO concept, for developing existing PLATO networks, for promoting the establishment of new network partnerships and for delivering the All-Island National Networking event.

This year's National Network Day was held in Dublin in October 2005. It was attended by 158 companies, buyers from large companies and agency representatives. As this is the end of the three year support for the current project, work is underway to develop a new proposal that updates activity and takes account of our new corporate plan.

PLATO Belfast was launched in November 2005 and proved to be of great interest with 45 SMEs recruited (150% above target), 50 participants (40% above target) and 12 parent companies recruited (200% above target). In line with other networks, Plato has been awarded Skillnets funding to deliver a comprehensive range of training and development activities.

## **US/Ireland Research Partnership**

The United States of America, Ireland and Northern Ireland have come together for a unique initiative to increase the level of collaborative R&D amongst researchers and industry across the 3 jurisdictions that will generate innovations to the marketplace and lead to improvements in healthcare, disease prevention and other technologies. The Partnership has its origins in the U.S.-Ireland Business Summit that took place in Washington, DC in 2002. The US Ireland R&D Partnership Steering Group was established during 2005.

Northern Ireland is represented by Professor Fabian Monds of Invest NI, Dr. Hugh Cormican of Andor Technology Ltd and Professor Peter Gregson, Universities Ireland, on the Steering Group, and Ireland is represented by Dr. Killian Halpin, former Director of Science & Technology at Forfás,

Dr. William Harris of SFI and Professor Ferdinand Von Prondzynski, Universities Ireland. InterTradelreland is providing the necessary secretariat to support the Steering Group and sub-groups.

The thematic areas of Diabetes, Emerging Respiratory Infections, Cystic Fibrosis, Nanotechnology and Sensors have been identified. These represent a unique opportunity in terms of research interests, health care and economic development and reflect the potential for the island of Ireland to play a meaningful role in research areas internationally recognised to be of pivotal significance for the 21st century:

### **Universities Ireland**

Universities Ireland is a model for co-operation and collaboration amongst the 9 universities on the island of Ireland.

Universities Ireland organised the 5th North/ South Higher Education conference, 'Higher Education and Business: Beyond Mutual Incomprehension', which was held in Belfast on the 16th & 17th June 2005. There were over 80 attendees, from industry, academia and the public sector North and South.

Technology & Research Services at Heriot-Watt University undertook a feasibility study to identify the intellectual property and technology transfer services currently on offer within the universities on the island. The study was also to identify and scope services where all-island co-operation between institutions could provide an enhanced service. The final report of this study was drafted by Technology & Research Services in December and was presented to the Council of Universities Ireland on the 25th January 2006.

### **North/South Roundtable Group**

The North/South Roundtable Group is a unique informal private sector led "think tank". It brings together leading figures in the public and private sectors, North and South, to discuss how best to enhance the economic well being of the island of Ireland in a way that is mutually beneficial. InterTradelreland provides assistance in the form of secretariat support.

The fifth Plenary Meeting of the Group took place on the 9th of June 2005 in Stormont Buildings, Belfast, and explored the rapidly emerging infrastructure opportunity which will see a combined £69 billion/€100 billion investment on the island over the next ten years. The side by side presentations on this occasion were made by David Gavaghan, Chief Executive of Northern Ireland's Strategic Investment Board (SIB) and Mary Doyle, the Secretary of the Irish Cabinet's Infrastructure Sub-Committee.

High-level discussions took place during the year between the North/South Roundtable Group and An Taoiseach, Bertie Ahern T.D., Minister for Finance, Brian Cowen T.D. and Minister for Foreign Affairs, Dermot Ahern T.D. on separate occasions. During each of these interactions the competitiveness of the island economy was considered both in depth and detail, along with practical opportunities for mutual benefit. The Taoiseach and Ministers took the opportunity to encourage the work of the group.

The North/South Roundtable Group made submissions to a number of high level enterprise policy reviews North and South where the Group has sought to highlight the

importance of considering the potential added value of adopting an all-island perspective as a core strategic priority.

A key achievement of the Group has been its ability to attract the most senior public and private sector people from across the island, North and South, to discuss vital competitiveness issues in an all-island context. Over 80 influential people from across the island from public and private sectors have attended each Plenary.

#### **International Centre for Local and Regional Development - Development Funding (ICLRD)**

InterTradelreland commissioned two activities in relation to ICLRd in 2005. The first involved funding directly to ICLRd for research towards a comprehensive strategy for spatial development that will lead to an improvement in economic competitiveness and social cohesion across the island.

InterTradelreland also awarded funding to the Centre for Cross Border Studies to support ICLRd activities and emerging initiatives on North/South co-operation in the areas of spatial planning, infrastructure, and economic development. The funds support the “buying out” of time from the academic and content partners to continue to build the academic networks and develop background materials and information briefs on spatial planning, infrastructure and cross-border co-operation on an Island basis and within an EU context.

**Performance Indicators - The increased number of firms engaged in developing cross-border business, measured through direct engagement with our network projects and our network enabling tool projects.**

**Business Plan Target: 2,200 and 300  
Achieved 2005: 2418 and 437**

#### **PROJECTS**



InterTradelreland Acumen helps small and medium enterprises increase cross-border sales and develop other forms of commercial co-operation across the island. The programme concentrates exclusively on stimulating cross-border trade by assisting individual SMEs with tailored consultancy and salary support mechanisms for market builders, in cross border markets in Ireland.

In 2005, Acumen directly supported a further 51 companies from Northern Ireland and Ireland, with some very impressive results emerging from the first completed assignments. Additional sales of £7.1M/c€10.3M and the creation of 65 new permanent jobs to service new markets have been reported by the first 28 companies to complete their Acumen projects during 2005. This is a tribute not only to the quality and determination of the companies involved but also to the value they place upon the Acumen programme. These results underline the compelling rationale for the programme and the underlying logic for first time exporters



based in Northern Ireland and Ireland to tackle their first “away from home market” across the border. Demand for the programme has demonstrated real sustainability and enquiries are growing as the programme becomes known to an ever widening audience.



Focus is an all-island strategic marketing and sales initiative. The project is now rolling out following a successful pilot phase. The initiative is regarded as a network enabling tool and facilitates partnerships and projects between:

- Companies - private sector business, on an island wide basis;
- Graduates - Degree / Diploma holders with a strategic marketing bias; and
- Sales Consultants - experienced sales and marketing advisors.

In 2005, a total of 20 companies and 12 graduates were recruited onto the second phase of Focus.



The InterTradelreland Network+Getwork programme is a trade development initiative, promoted by the Chambers of Commerce, to encourage and assist companies across the island to explore cross-border business opportunities with some of the island's largest procurement organisations.

The first 2005 event took place on 7th April in the Westbury Hotel in Dublin, An Post was the host buyer and more than 50 firms participated. On 18th May another event took place in the Harbour Commissioners Office, Belfast. BT was the host buyer and more than 50 firms participated. Network+Getwork focussed on the Food Sector at an event in June at the Four Seasons Hotel, Carlingford where 4 large buyer organisations were present and 32 SME's presented to attending buyers.

In September in The Westin Hotel, Dublin an event was held with Eircom as the host buyer. The event was a success and feedback from both the Eircom team and supply firms was very encouraging. In the same month the Northern Ireland Chamber, Waterford Chamber, the South East Euro Information Centre and ICT Ireland joined forces to deliver an event in Dublin which introduced small companies to software procurement decision makers in the Office of Public Works, The Health Service Executive and RTÉ.

Network+Getwork held a further 4 meet the buyer events at the end of 2005, involving buyers from Creative Media (Belfast); AIB (Dublin); Bombardier (Belfast); and Pharmaceutical (Cork) bringing the total number of events held in 2005 to 9. These events were well attended. In total 170 SME's participated with 100 from Northern Ireland and 70 coming from Ireland.

#### **InterTradelreland Awareness & Promotional Activities**

In tandem with the Board Meeting in Shannon on 21st February 2005 the first Regional Awareness Event of 2005 was held, with more than 40 companies attending.

The second Regional Awareness Event was held in the Hilton Hotel Belfast on 24th May 2005, in association with the Sales Institute of Ireland, with 35 companies attending.

A further event was held in the Enterprise Ireland Offices in Cork on 24th August 2005 and was attended by 25 companies.



FUSION is InterTradelreland's all-island technology transfer initiative that gives companies with technology based needs the opportunity to work within three-way partnerships that include third-level research institutions with specialist expertise, and a high-calibre science and technology graduate.

The FUSION Pilot continued to progress to plan, with a further 16 projects out of the original 62 projects, completing during 2005. Of the 62 Pilot projects, 42 are in Ireland and 20 are in Northern Ireland, representing 15 industrial sectors based in 21 different counties. A total of 19 third-level institutes are involved in FUSION Pilot projects (14 in Ireland and 5 in Northern Ireland). A survey of all completed projects is now underway to capture the financial and other benefits which have been generated.

In November 2005 the final 20 Associates graduated with a Diploma in Management at a ceremony in Dublin Institute of Technology. Across the 62 FUSION Pilot projects, 54 Associates have now graduated. Feedback from the companies involved with the Pilot continues to be very positive,

confirmed by the fact that several are keen to undertake a second FUSION project. Benefits for the third level institutions are also proving to be significant with a number of undergraduate projects being identified.

Within the Roll-out FUSION programme 95 projects were approved, with 69 of these companies based in Ireland and 26 in Northern Ireland, representing 28 industrial sectors in 25 different counties across the island. There are 15 third level institutes participating so far (5 in Northern Ireland and 10 in Ireland). A good spread of company size is now starting to emerge i.e. micro (25%), small (56%), medium (18%) and large (1%). Overall the demand for FUSION projects exceeds the number of places available.



InterTradelreland's work in the area of Science, Technology and Innovation has given rise to Innova - a collaborative R&D programme. The programme is aimed at stimulating, promoting and supporting R&D co-operation between firms, North and South, with the support of public research organisations where required. This support for funding collaborative research is expected to create a supportive environment for joint North/South activities and encourage synergistic and complementary flows of technology among partnerships and networks of private companies, particularly SMEs, to the benefit of the island economy.

The recruitment phase of the INNOVA programme was completed during 2005.

Projects approved reflect a range of sectors including Biotechnology, Food, ICT and Medical Devices. The first project of the programme announced is between Fusion Antibodies (Belfast) and Luxcel Biosciences (Cork), who are combining their technologies to produce highly specific and sensitive labelled antibodies for the cancer In Vitro IVD market.

### **Pilot Supply Chain Champion Programme**

The aim of the Pilot Supply Chain Champion Programme is to improve the competitiveness of a Multinational/Large Indigenous Enterprise (the Host) and its Suppliers by improving the performance of the whole Supply Chain.

The first pilot project was completed at the end of December 2005. Both the host company, Glanbia and their supplier companies reported very positive feedback on their participation in the project. This particular project was focused on Glanbia Ingredients, based at the Ballyragget plant in Kilkenny.

### **Auril CPD**

Auril Ireland represents the development and delivery of a joint AURIL/NovaUCD CPD programme for Knowledge Transfer Staff in Ireland and Northern Ireland.

A total of 3 Continuing Professional Development courses were held in 2005. The first 2 courses were held in Dublin and Belfast with 32 attendees. The Programme, entitled 'How to get the Best Biotech Deal', was delivered by the UK-based Pharmaceutical Licensing Group. The third Continuing Professional Development course for Knowledge Transfer Professionals was held in NovaUCD in Dublin. This was a two-day

course entitled 'Taking ICT Technologies from Research to Market' which was targeted at all those involved in negotiating or advising on ICT deals, including those from industry, universities, investors, promoters and agencies. The 37 attendees included representatives from the third level sector, the IT sector, development agencies and venture capitalists, North and South.

### **On-Line Facilities**



Funded by InterTradelreland and jointly managed with Irish Universities Alliance, expertiseireland.com is the gateway to the island's knowledge base and is the most advanced on-line portal of its kind in Europe. This on-line portal acts as the first point of contact for anyone seeking details about the research community on the island of Ireland. Launched in July 2003, the portal is driven by a powerful database populated directly from the knowledge management systems of the island's research institutions. The information supplied through the portal is high quality, reliable and updated daily.

The development of the portal has continued in 2005, with total number of expert profiles now standing at 4,230 with 852 new users registered during the year. A breakdown of the registered users identifies that 40% are from the private sector. A total of 26,416 searches were carried out with 36,230 expert profiles being accessed. During 2005, commercial expertise was added to the portal encompassing the manufacturing, healthcare, construction, food, electronics and IT sectors. Early in 2005 an additional facility - Technology Transfer Licensing Opportunities was added to the portal.

In May 2005, [expertisireland.com](http://expertisireland.com) signed a Memorandum of Understanding with BioLink USA-Ireland. BioLink USA-Ireland is an association of scientists, engineers and business professionals working in the life sciences in the USA and in Ireland. There are 5 institutions contributing to the Technology Transfer Licensing Opportunities section, with 25 technologies available. A total of 22 private sector companies now have a presence on the portal.



Go-Source, a joint venture of Enterprise Ireland, InterTradeIreland and Invest Northern Ireland, is an online directory of every public sector organisation on the island of Ireland. Included in each organisation's profile are contact details for buyers, their procurement structure and what they buy. The information on the website is updated annually and also includes links to live tenders, hints on accessing contracts and valuable information on the structure of Government bodies and their procurement procedures. The high level of interest in this resource is evidenced through a total of 736,342 hits on the Go-Source website ([www.go-source.com](http://www.go-source.com)) during 2005.

### **Trade Statistics Website**

Launched in July 2005, the Trade Statistics Website provides access to a range of comparable data on trade and production for Northern Ireland and Ireland and allows composite all-island data to be generated in the form of statistics, charts and interactive graphs. The data available on this site represents annual cross-border trade, quarterly sectoral cross-border trade figures and trade share.

It encapsulates a total of 12 different manufacturing sectors. From the launch in July 2005, to the end of December 2005, there were a total of 581,659 hits to the website.

[www.tradestatistics.intertradeireland.com](http://www.tradestatistics.intertradeireland.com)

### **Get2Business**

Get2Business is a unique all-island guide to business support services, developed by InterTradeIreland to help businesses find the information they need, quickly and easily, from business planning and financial assistance to training and networking opportunities. Work on constructing the website was finalised at the end of 2005 in preparation for launch early in 2006.

[www.intertradeireland.com/get2business](http://www.intertradeireland.com/get2business)

### **Business and Economic Research**

Our work on cross-border trade and business development is underpinned by a solid research agenda that seeks to develop our understanding of the dynamics behind the emerging island economy and to inform our policy choices.

### **Cutting Our Cloth: A Review of the All-Island Clothing and Textiles Industry**

This report reviewed the Clothing and Textiles industry in Ireland and Northern Ireland in the light of substantial changes that have occurred within the local and global economies in the recent past. It provided an understanding of the industry and examined the trading environment within which the industry operates. The report identified opportunities for growth and development and offered recommendations on how these could be achieved.

## **Engineering a Knowledge Island 2020**

"Engineering a Knowledge Island 2020", commissioned by InterTradelreland from the Institute of Engineers in Ireland, was released in October 2005. The report proposed a vision for a knowledge-based economy which would place the island of Ireland in the forefront of the most advanced economies. The report has generated constant media attention since its release in October 2005.

## **Entrepreneurship on the Island of Ireland in 2004**

"Entrepreneurship on the Island of Ireland" was released in November 2005 and more than 600 copies of the report issued. The report developed insights into the entrepreneurial environment on the island of Ireland and recommended means by which a dynamic entrepreneurial environment could be developed throughout the island. The report continues to generate media interest and the recommendations have been welcomed by policy makers North and South.

## **Business Competitive Model**

The aim of the All-Island Business Model project is to identify and model the key drivers of competitiveness and export performance within the all-island economy. Research conducted during the project will be used to define a spreadsheet-based model which can be used to estimate the impact of changes in costs, policy, exchange rates etc. on business performance, North and South. The Business Model will be a unique resource, allowing InterTradelreland to

make a valuable contribution to policy debate on the island. In 2005 the All-Island Business Competitiveness Model was enhanced with the publication of Study 7 'Examination of how cross-border and other external linkages influence competitiveness' and Study 2 'Determinants of a firm's productivity'.

## **All-Island Directory of Calibration and Testing Services**

"The All-Island Directory of Calibration and Testing Services", compiled by InterTradelreland in conjunction with Invest Northern Ireland and Enterprise Ireland, was published on-line during May 2005. This Directory is a key business resource, containing information on the services of more than 140 organisations on the island, providing services across a diverse range of technological fields.

## **Other activities**

Further research activity included the GEM Ireland Report - 'How Entrepreneurial was Ireland in 2004?' and GEM, 'The Irish Annual Report' launched in April 2005. The Information Resource Centre responded to 139 external queries during 2005.

## **Research Publications Website Usage**

During 2005 there were over 71,000 website visits to InterTradelreland's research publications:

InterTradelreland Policy Research Series (IPR) 13,686; Publications 45,017; Quarterly Trade Monitor 2,553; Case Studies 4,839; Entrepreneurship 4,206 and Furniture Report 1,443

Performance Indicator - The value of trade and business development activity generated by our all-island networks and by those firms engaged in cross-border business through our projects.

Business Plan Target - £13M/€18.85M  
Achieved 2005 - £22.49M/€32.61M

## **FUSION**

Early results from monitoring of the first batch of companies from the Pilot programme show a value of £3.26M/€4.73M.

## **ACUMEN**

Acumen performance for 2005 for the 28 companies who have now completed the programme is £7.1M/€10.3M additional sales for participating companies and 91 additional jobs created.

## **PLATO National Networking Day**

Evaluation indicates that a cumulative total of £374K/€542K additional business was generated as a result of the leads made at the national networking event.

## **All-Island Public Procurement**

In total 37 companies responded to the Go Tender evaluation survey. These companies report that 103 tenders have been submitted to date resulting in £7.72M/€11.19M of business generated.

## **EquityNetwork**

In 2005, companies that participated in the Seedcorn Competition raised a total of £2.69M/€3.9M in venture capital funding.

## **Supply Chain Ireland and LogisticsXP**

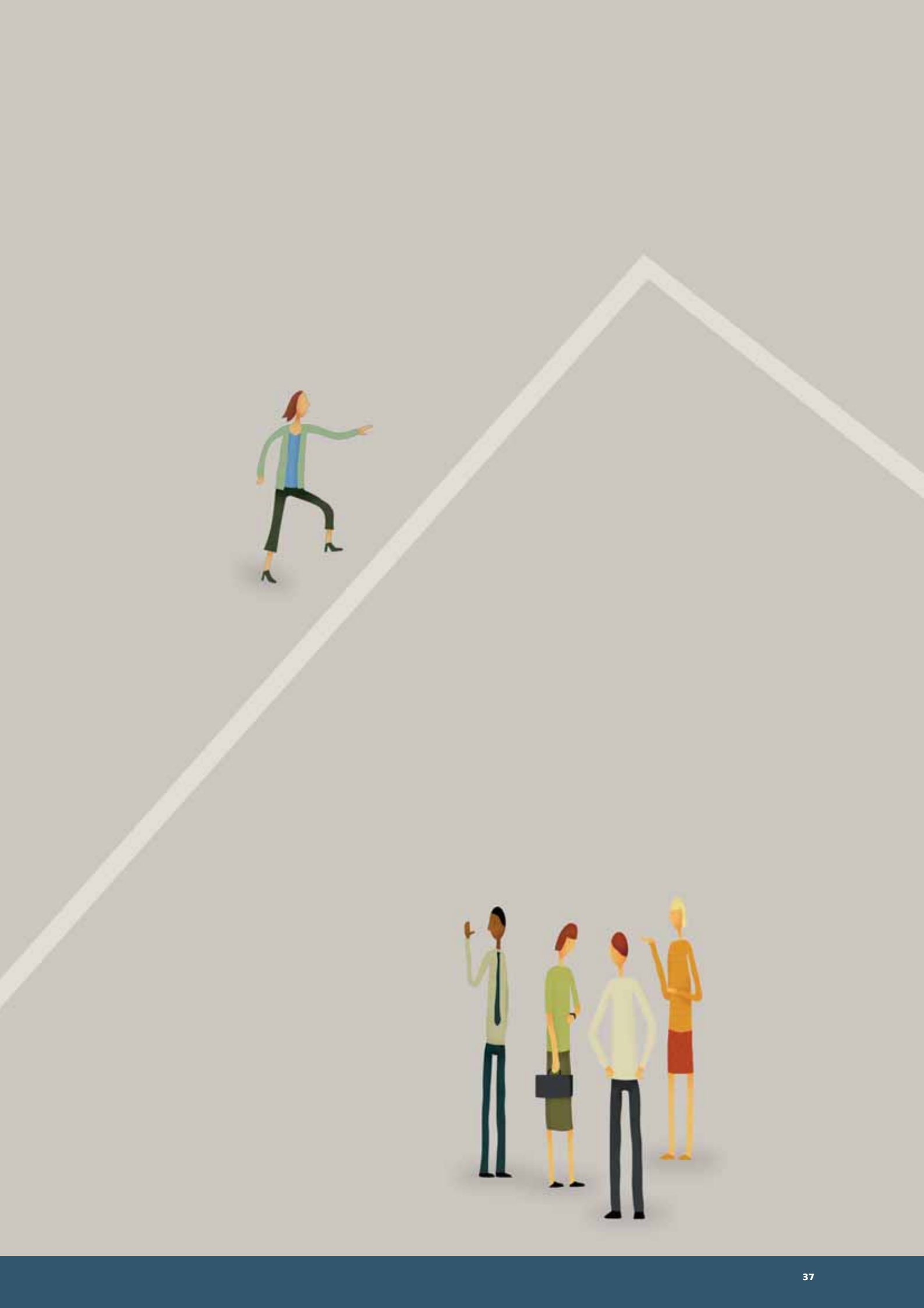
The independent evaluation of the pilot ELUPEG collaborative distribution project by BDO identified cost reductions in the range 5% - 20%, with estimated total potential cost reductions by one company of £1M/€1.45M.

## **Microtrade**

Evaluation of the 'Main Event' held in April 2005 indicates a trade value of £346K/€502K.

## **Efficiency Ratio of operating Cost to Programme Costs**

Within our Corporate Plan 2005-2007, we committed to improving our efficiency of operating costs to programme costs to 1:2.5 by 2007. Our efficiency ratio has risen from 1:1.9 in 2004 and to 1:2.3 in 2005.







## SUMMARY OF KEY EVENTS 2005



# Summary of Key Events 2005

## January

This is the second year that InterTradelreland has sponsored the member events of the MBA Association of Ireland (MBAAI). In January two member events were held in Limerick and Cork. Throughout the year other member events were held in other venues including Waterford, Dublin, Belfast and Galway.



## February

### 21st February

**InterTradelreland Seminar & Networking Event in association with Shannon Development – Limerick.**

The seminar gave local companies an insight into how InterTradelreland's programmes can help improve company competitiveness and programme managers were available to show how the business potential of trading cross-border could be exploited.

## March

### 9th March

#### Private Equity Conference - Dublin Castle

Organised by InterTradelreland's EquityNetwork initiative, speakers this year included Charles McVeigh, Chairman of Citigroup's global Investment Bank-Private Bank Partnership, Javier Echarri, Secretary General of the European Venture Capital Association, Dr. Bert Twaalfhoven, a Dutch serial entrepreneur and Dr. Hugh Cormican, MD of Belfast-based Andor Technology. The Minister for Enterprise, Trade and Employment, Mr Micheál Martin T.D. delivered the opening address to the conference.



Launching the event Mr Barry Fitzsimons Chairman InterTradelreland EquityNetwork and Dr Hugh Cormican MD Andor Technology

### 24th March

#### Regulation and Compliance Workshop – Dublin

A BioMedIreland event in the series covering Quality Assurance and Regulatory Affairs. Facilitated by Real Regulatory, this workshop provided an up-to-date understanding of current regulations and associated compliance issues for the medical devices and biotechnology sectors.

### 30th March

#### Seedcorn competition launched



Big cash prize will help Seedcorn firms grow - launching the 2005 seedcorn competition were Derek Roddy from SmartHomes (the 2004 seedcorn winners) and Martin Naughton, Chairman of InterTradelreland.

## April

### **EquityNetwork Investment Pitch MasterClass – Belfast and Dublin**

Masterclasses were held both in Dublin and Belfast during the month for a selected audience. The objective of the Master Class was to help companies improve their investment pitch when seeking to raise private equity from potential funders (venture capitalists or private investors).

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#### **7th April**

### **InterTradelreland Network+Getwork Programme (An Post, Dublin)**

This Network+Getwork event focused on the procurement strategy of An Post and included a strategic overview of their procurement policy for 2005/2006. Mr Harry Kettle, head of procurement for the organisation gave a presentation and for the first time the event included a speed networking session.

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#### **7th April**

### **Business Planning Workshop – Dublin**

This event was part of a series of BioMedIreland events covering Innovation and Entrepreneurship. The aim was to provide attendees with a valuable insight into tools & techniques to assist in bringing a Life & Health Sciences product to market.

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#### **8th April**

### **InterTradelreland FUSION Breakfast meeting - Derry**

Invest Northern Ireland hosted this breakfast seminar in the North West Region on behalf of the InterTradelreland FUSION programme. A number of relevant client companies were invited with the aim of promoting Fusion and its opportunities to the companies.

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### 13th April

#### Main Event (Microtrade) - CityWest Hotel Dublin

The purpose of the event was to bring together micro-enterprises to network and to assist them to find new customers, locate suppliers and source new outlets for products and services.



Ann McGregor Enterprise NI, Liam Nellis InterTradelreland, Dominic Mullan Microtrade, Mark Pollock Motivational Speaker and Maria Callinan Laois County Enterprise Board at the MAIN Event held in the City West Hotel Dublin.

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### 19th & 26th April

#### Supplier Education Programme – Belfast and Dublin

This programme of two day workshops was aimed at providing advice and guidance to Small and Medium Enterprises (SMEs) throughout Northern Ireland and Ireland in the area of bidding for and servicing public sector contracts.



Supplier Education Programme - Launching the Supplier Education programme is L to R Richard Jackson PWC, John Mcmillen CPD and Liam Nellis Chief Executive InterTradelreland.

## May

### 5th & 11th May

Supplier Education Programme Day 2 Belfast & Dublin

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### 17th May

Supplier Education Programme Day 1 Cork

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### 17th May

#### InterTradelreland Network+Getwork Programme Belfast (BT/Esat)

The Network+Getwork programme held its 7th event with over 50 companies attending with the focus being on the procurement strategy of BT/Esat.

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### 27th May

#### Construction Sector Briefing

The head of the Strategic Investment Board, Mr David Gavaghan, Minister of State, Mr Noel Treacy T.D. and ten major construction companies, North and South attended a lunch meeting at the Ballymascanlon Hotel, Dundalk to look at proposals for the £16bn/€23.2bn infrastructure investment programme for Northern Ireland.



Noel Treacy TD Minister of State Dept of An Taoiseach and Foreign Affairs, Martin Naughton Chairman InterTradelreland and David Gavaghan CEO Strategic Investment Board at the Construction Section lunch in Dundalk

## June

### 7th & 8th June

#### Supplier Education Programme Day 2 Cookstown & Galway

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### 16th June

#### 'EXPLORING THE FUNDING ROADMAP' - Belfast

A Breakfast Seminar for Start-up and Early-Stage Companies on Funding for Growth organised in partnership with Momentum, the Northern Ireland ICT Federation, was held to help explain what is involved in raising private equity including Business Angel Networks and the best way to approach potential providers of equity.



Jim O'Hare (Kirkpatrick & Lockhart Nicholson Graham - US based law firm); Deirdre Terrins, Investment Executive, Crescent Capital; Gráinne Lennon, EquityNetwork; and Ian Graham, Chief Executive of Momentum, the NI ICT Federation.

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### 21st June

#### InterTradeIreland Network+Getwork Programme - Carlingford

Meet the Food and Catering Buyer. This event involved procurement companies from the Island North and South such as:

Central Service Agency/Eastern Health Shared Services/The Irish Defence Forces/The Irish Prison Service /John Henderson Group and SuperQuinn.



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## 23rd June

### EquityNetwork Master Class – Cork

The objective of the Master Class was to help companies improve their investment pitch when seeking to raise private equity from potential funders (venture capitalists or private investors).

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## 24th June

### Technology Path Finding Innovation Workshop - Dublin

A BioMedIreland event in the series covering Innovation & Entrepreneurship.

Hosted by Altran Technologies Ireland Ltd, this workshop focused on helping organisations to strategically assess their product and process technologies and to stay ahead of the competition.

## July

During July, InterTradelreland was host to some special VIPS.



The Secretary of State Mr Peter Hain M.P. with Barry Fitzsimons Vice Chairman , Feargal McCormack Board Member and the Senior Management Team of InterTradelreland.



Laim Nellis CEO InterTradelreland with Garret Fitzgerald Former Taoiseach.

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### 6th July

InterTradelreland sponsored the Mitchel Scholarship Reception in Belfast



Senator Mitchell, Barry Fitzsimons Vice Chair of InterTradelreland and Graduates.

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### 20th July

#### Market-Focused New Product Development Workshop – Belfast

This event was part of a series of BioMedIreland events covering Innovation and Entrepreneurship. This event focused on the four key areas of Optimal NPD Focus, Identifying Winning Products, Identifying & Reaching the Target Market and Forecasting Product Potential.

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### 28th July

#### Software & e-Labelling Issues for Medical Device & Biotech Companies-BiomedIreland - Dublin

A BioMedIreland event in the series covering Quality Assurance & Regulatory Affairs. This event provided attendees with an up-to-date insight into current software and e-labelling regulations and the compliance issues associated with the design and use of software in Medical Device and Biotech products.

## August

### 28th August

Mervyn King Governor of the Bank of England visited *InterTradelreland*.



Mervyn King, Governor of the Bank of England with the Senior Management team and Board members of *InterTradelreland* at the *InterTradelreland* Offices in Newry.

## September

### 8th September

#### Judging of Seedcorn competition

Liam Nellis, CEO of *InterTradelreland* was a member of the judging panel for the 'Entrepreneur of the Year' award.



Liam Nellis CEO *InterTradelreland* and Denis O'Brien, Chair of the Judging Panel, Chairman of Communicorp and Deputy Governor of the Bank of Ireland.

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### 27th September

#### InterTradelreland Network+Getwork Programme Waterford

Meet the ICT Buyer.

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### 28th September

#### InterTradelreland Network+Getwork Programme - Dublin - Eircom

Presentations from and introductions to the Eircom procurement department.

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### 29th September

#### 'Entrepreneur of the Year' gala awards

InterTradelreland was one of the sponsors of the event this year.



Aiden Heavey, Tullow Oil winner of Entrepreneur of the Year 2005

## October

### 6th October

#### NITL Conference, Logistics Ireland 2005 – Collaboration for Competitiveness - Dublin

Provided an opportunity to promote the completed pilot of the European Logistics, Users, Providers and Enablers Group (ELUPEG) programme and present details of the InterTradeIreland Supply Chain Management initiative.

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### 13th October

#### “Where Physics meets Medicine” Workshop (BiomedIreland and Institute of Physics in Ireland) – Athlone

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### 24th October

#### Creative Clusters 2005 - the 3rd International Conference on Creative Industries Development - Belfast

The event was run alongside a scheduled Network+Getwork session with Belfast City Council and the Northern Ireland Chamber of Commerce. The aim of the conference was to bring together networks from across the island, along with some of their member firms, to meet with each other and the larger purchasing organisations such as the broadcasting media and the telecoms providers.

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### 26th October

#### Plato All-Island Networking Event-Dublin

## November

### 3rd November

#### Chartered Institute of Logistics and Transport - Belfast

Supported by InterTradelreland, the event was titled 'Get work, keep work' and focused on 21st Century Business Tendering Technology.

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### 10th November

#### InterTradelreland Network+Getwork Programme - Dublin

Presentations from and introductions to the AIB procurement Department.

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### 16th November

#### 'Exploring the Funding Roadmap' seminar – Derry

A seminar for Start-up and Early-Stage Companies on funding for growth organised by InterTradelreland's EquityNetwork programme.

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### 23rd November

#### Launch of LogisticsXP - Belfast Castle



Dianne Fee Project Manager InterTradelreland with Malcolm Reid SCA Packaging, Malcolm Pope Heinz and Eugenio Dielen Royal Numico at the launch of Logistics XP

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## 24th November

### Deloitte Fast 50 – Belfast

InterTradelreland sponsored the Deloitte Fast 50 event this year held in Belfast. A competition showcasing local technology enterprises who have maximised the benefits of operating right across the island.



David O'Flanagan and Tom Keenan, Deloitte and Liam Nellis, InterTradelreland, congratulate Maurice Mortell, CEO, Data Electronics on winning the Deloitte Technology Fast 50 programme.

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## 26th November

### FUSION graduation

## December

### 1st December

#### InterTradelreland Network+Getwork Programme - Belfast

A network+getwork programme event with the focus on the procurement strategy of Bombardier.



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## 6th December

### The 3rd Annual Seedcorn Competition - Burlington Hotel Dublin

Sigmoid was announced as the overall winner of InterTradelreland's All-Island Seedcorn Business Competition 2005. Chosen from eight finalists from all corners of the island, Sigmoid becomes the third winner of the competition since it was first run by InterTradelreland's EquityNetwork in 2003.



Sigmoid, Seedcorn winners 2005 with InterTradelreland Chairman Martin Naughton

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## 13th December

### InterTradelreland Network+Getwork Programme - Cork

Meet the pharmaceutical buyers was the theme of this event and attracted companies involved in procurement from both the North and South of the island.

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For further information on news and events visit [www.intertradeireland.com](http://www.intertradeireland.com)



# AUDITED ACCOUNTS



# Foreword to the Accounts

## Background Information

InterTradelreland - The Trade and Business Development Body - is a North/South implementation body sponsored by the Department of Enterprise Trade and Investment (DETI) in Northern Ireland and the Department of Enterprise Trade and Employment (DETE) 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 Year 1 January 2005 - 31 December 2005

The results of the Trade and Business Development Body are set out in detail on page 66. The surplus for the period was £268,857 (€393,177)

## 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 2006 the Body will continue to implement its 2005-2007 Corporate Plan. InterTradelreland's key strategic objective for the period 2005-2007 is to increase the number, effectiveness and value of all-island trade and business development networks.

### **Important Events Occuring After the Year End**

There have been no significant events since the year end 31st December 2005, which would affect these accounts.

### **Charitable Donations**

The Trade and Business Development Body paid £470 (€687.33) to the Newry Chamber of Commerce and Trade for twelve 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. The expense of participating in this event was partially offset by a saving on the provision of lunch for board members following the board meeting immediately prior to the Newry Chamber of Commerce event.

### **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 Fitzsimmons (Vice Chairman)

Ms Mary Ainscough

Ms Mary Breslin

Mr Trefor Campbell (resigned 2 June 2005 )

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

The Trade and Business Development Body has continued to promote 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 has won the William Keown Access Award in 2002.

Currently none of our employees have declared that they have a disability under the definitions of the Act.

## 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 following a screening process, is currently undertaking Equality Impact Assessments, in key areas.

### **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 days of the receipt of the goods or services, or presentation of a valid invoice or similar demand, whichever is later as required by legislation. Ninety-three 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.

Liam Nellis  
CHIEF EXECUTIVE  
13 March 2007



## **Statement of Responsibilities**

### **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 apply 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  
13 March 2007

## 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.

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 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 2005 and up to the date of approval of the annual report and accounts.

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 2005. 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. Following the formal adoption of a Risk Management Policy Statement by the Board in 2003, processes in place for maintaining and reviewing the effectiveness of the system of internal control during the year ended 31st December 2005 included:

The presentation of the Body's risk register to the Board,

- Quarterly review of the risk register,
- Quarterly meetings of the Audit Committee to consider and advise on matters arising around the system of internal control and the risk register,
- The adoption of a Fraud Policy by the Board,
- Twice yearly internal audits,
- The adoption of delegated sanctions agreed by both the respective Sponsoring Departments (DETE & DETI) and Departments of Finance (DoF & DFP),

- An ongoing review of the Financial Memorandum in conjunction with the above departments (Finalised in March 2005).

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

Additionally, as a North/South Implementation Body jointly sponsored by the Department of Enterprise Trade and Investment and the Department of Enterprise Trade and Employment, *InterTradeIreland* may, at the discretion of the Departments, be subject to audit by their internal auditors. In early 2006 anonymous written allegations were made against the Body concerning its financial, equality and personnel practices. Formal reviews during 2006 by the Equality Commission and a firm of independent management consultants concluded there was no substance to the allegations around equality or personnel matters. The Departments' internal auditors conducted a comprehensive internal audit of financial systems and records.

In summary, the audit noted that there were no significant weaknesses identified and the evidence reviewed did not support any allegations of impropriety. Recommendations were made, as would be expected with any comprehensive review, and these are being or have been implemented. It was concluded that the Body is complying with its financial procedures and that the system of internal control was found to be effective. The auditors also concluded that the programmes run by InterTradeIreland are consistent with its legislative remit, have been approved by the Board and have been subject to economic appraisal and where appropriate departmental approval.

Liam Nellis  
CHIEF EXECUTIVE  
13 March 2007

## **Trade and Business Development Body**

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

We have audited the financial statements of the Trade and Business Development Body for the year ended 31 December 2005 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.

The financial statements, which have been prepared under the accounting policies set out therein, comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes.

### **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 in accordance with applicable law and the regularity of financial transactions are set out in the Statement of Responsibilities.

It is our responsibility to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report our opinion as to whether the accounts give a true and fair view, and have been properly prepared, in accordance with the accounts direction issued under the governing legislation. We also report our opinion as to whether in all material respects the expenditure and income have been applied for the purposes intended by Dáil Éireann and the Westminster Parliament and whether the financial transactions conform to the authorities which govern them; and whether proper accounting records have been kept by the Body. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit, and whether the accounts are in agreement with the accounting records.

We review whether the Statement on Internal Control 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 are not required to consider whether the Statement on Internal Control covers all financial risks and controls, or to form an opinion on the effectiveness of the risk and control procedures.

We also report if, in our opinion, the Foreword to the accounts is not consistent with the accounts.

Without qualifying our opinion we draw attention to the fact that the basis of accounting for pension costs that will be ultimately borne by the Irish Exchequer, and which is disclosed in accounting policy 1.3, does not comply with Financial Reporting Standard 17.

## Basis of Audit Opinion

We conducted our audit of the accounts in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the accounts. It also includes an assessment of the significant estimates and judgments made by the Body and the 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 so as to obtain all the information and explanations that we considered necessary to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by error, or fraud or other irregularity and that, in all material respects, the expenditure and income have been applied for the purposes intended by the Westminster 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.

## Opinion

In our opinion:

- The accounts, which have been properly prepared in accordance with the accounts direction issued under the governing legislation, give a true and fair view, in accordance with that direction, of the state of the Body's affairs at 31 December 2005 and of its surplus for the year then ended
- in all material respects the expenditure and income have been applied for the purposes intended by the Westminster Parliament and Dáil Éireann and the financial transactions conform to the authorities which govern them.

We have obtained all the information and explanations that we consider necessary for the purpose of our audit. In our opinion proper accounting records have been kept by the Body. The accounts are in agreement with the accounting records.

John Purcell  
Irish Comptroller and  
Auditor General  
Dublin Castle  
Dublin 2  
Ireland  
Mar-07

J. M. Dowdall  
Comptroller and Auditor General  
for Northern Ireland  
106 University Street  
Belfast  
BT7 1EU  
Mar-07

### Income and Expenditure account for Financial Year 1 January 2005 - 31 December 2005

	Notes	2005 £	2004 £	2005 €	2004 €
<b>INCOME</b>					
Revenue Grants from Departments	2	8,088,561	7,225,281	11,828,712	10,659,457
Capital Grant Release from Departments	11.2	51,808	57,641	75,764	85,038
Other Operating Income	3	66,570	56,059	97,352	82,704
<b>TOTAL INCOME</b>		<b>8,206,939</b>	<b>7,338,981</b>	<b>12,001,828</b>	<b>10,827,199</b>
<b>EXPENDITURE</b>					
Staff Costs and Board Remuneration	4	1,321,160	1,410,172	1,932,066	2,080,427
Depreciation	8	51,808	57,641	75,764	85,038
Other Operating Costs	6	1,060,318	876,642	1,550,609	1,293,308
Programme Costs	7	5,500,926	4,278,068	8,044,553	6,311,434
		7,934,212	6,622,523	11,602,992	9,770,207
Corporation Tax Payable	6 (b)	3,870	-	5,659	-
<b>Surplus/(Deficit) for the period</b>		<b>268,857</b>	<b>716,458</b>	<b>393,177</b>	<b>1,056,992</b>
<b>Surplus/(Deficit) transferred to General Fund</b>		<b>268,857</b>	<b>716,458</b>	<b>393,177</b>	<b>1,056,992</b>

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 68 to 81 form part of these accounts.

## Balance Sheet as at 31 December 2005

	Notes	2005 £	2004 £	2005 €	2004 €
<b>FIXED ASSETS</b>					
Tangible Assets	8	141,065	150,339	208,424	212,730
<b>CURRENT ASSETS</b>					
Debtors	9	189,033	151,586	279,296	214,494
Cash at bank and in hand	12.2	2,312,544	1,513,858	3,416,784	2,142,109
		2,501,577	1,665,444	3,696,080	2,356,603
<b>CURRENT LIABILITIES</b>					
Creditors - amounts due in less than one year	10.1	1,992,582	1,425,306	2,944,040	2,016,808
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<b>508,995</b>	<b>240,138</b>	<b>752,040</b>	<b>339,795</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>650,060</b>	<b>390,477</b>	<b>960,464</b>	<b>552,525</b>
Creditors - amounts due in less than one year	10.2	-	-	-	-
<b>TOTAL ASSETS LESS TOTAL LIABILITIES</b>		<b>650,060</b>	<b>390,477</b>	<b>960,464</b>	<b>552,525</b>
Financed by :					
<b>CAPITAL AND RESERVES</b>					
General Fund	11.1	508,995	240,138	752,040	339,795
Capital Grant Reserve	11.2	141,065	150,339	208,424	212,730
		<b>650,060</b>	<b>390,477</b>	<b>960,464</b>	<b>552,525</b>

The notes on pages 68 to 81 form part of these accounts.

Liam Nellis  
CHIEF EXECUTIVE  
13 March 2007



## Cash Flow Statement for the year 1 January 2005 - 31 December 2005

	Notes	2005 £	2004 £	2005 €	2004 €
<b>Operating Activities</b>					
Net cash inflow/(outflow) from Operating Activities	12.1	798,686	924,133	1,274,675	1,307,471
<b>Capital expenditure and financial investment</b>					
Payments to acquire Tangible Fixed Assets		-42,534	-14,148	-62,844	-20,019
<b>Disposal Proceeds</b>					
<b>Financing</b>					
Grant Received for Capital Purposes	8	42,534	14,148	62,844	20,019
<b>Increase/(Decrease) in Cash</b>		<b>798,686</b>	<b>924,133</b>	<b>1,274,675</b>	<b>1,307,471</b>

The notes on page 68 to 81 form part of these accounts.

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2005

### ACCOUNTING POLICIES

#### 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 Republic of Ireland Companies' Acts 1963 to 2005, the accounting standards issued or adopted by the Accounting Standards Board (except in relation to accounting for pension costs), and accounting and disclosure requirements issued by the Department of Finance and Personnel, and by the Department of Finance, insofar as those requirements are appropriate.

#### 1.2 Fixed Assets

- Tangible Fixed Assets are included at cost or valuation to the body.
- 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

- A capitalisation threshold of £500 has been applied in the accounts during 2005.

#### 1.3 Pension Costs

During the year all staff employed by the Body were on contract to the Body or seconded from other Government Departments/Public Sector organisations.

The North/South Pension Scheme was established by the North/South Implementation Bodies and Tourism Ireland Limited with effect from 29 April 2005.

It is a defined benefit pension scheme which is funded annually on a pay as you go basis from monies provided by the UK and Irish Exchequers.

The scheme is administered by an external administrator. Funding from the Irish Exchequer is provided by the Department of Finance to the Body which then funds the administrator. The Northern Ireland share of the benefits paid during the year is directly funded to the administrator by the UK Exchequer. The Northern Ireland element of the costs is accounted for as if the scheme were a defined contribution scheme, i.e. the Body recognises only the employer's contributions in respect of the Northern element of the costs as an expense of the period.

It also recognises a corresponding amount as income, representing the value of the resources that the UK Exchequer will make available to the Administrator in respect of these costs.

In respect of the element of pension costs ultimately borne by the Irish Exchequer, the Finance Departments (North and South) have directed that the only cost recognised in the Accounts up to 31 December 2005 will be the cost of pensions paid to the extent that this cost is ultimately borne by the Irish Exchequer. Seconded from the Northern Ireland Civil Service continue to be members of the Principal Civil Service Pension Scheme (NI). Seconded from the Southern Civil Service continue to be members of the Irish Principal Civil Service Pension Scheme.

The Body pays these pension costs as charged by these organisations.

#### 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 = €1.4775 and the rate used for the Income and Expenditure Account was £1 = €1.4624.

#### 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 Year 1 January 2005 - 31 December 2005

	DETI £	DETI €	DETE £	DETE €	TOTAL £	TOTAL €
Revenue Grant	2,685,987	3,898,743	5,364,097	7,873,700	8,050,084	11,772,443
Non-cash Revenue Grant	38,477	56,269	-	-	38,477	56,269
	2,724,464	3,955,012	5,364,097	7,873,700	8,088,561	11,828,712
Capital Grant	14,178	20,948	28,356	41,896	42,534	62,844
	2,738,642	3,975,960	5,392,453	7,915,596	8,131,095	11,891,556

The total Euro receipts are expressed per accounting policy 1.5. Revenue and Capital grants shown from DETE and DETI reflect the actual respective Euro and Sterling grants received during 2005. The Non -cash Revenue grant represents revenue grant funding which has been abated by the sponsor Department, in respect of employer pension contributions due.

### 2.2 Financial Year 1 January 2004 - 31 December 2004

	DETI £	DETI €	DETE £	DETE €	TOTAL £	TOTAL €
Revenue Grant	2,407,284	3,545,932	4,817,997	7,113,525	7,225,281	10,659,457
Capital Grant	4,716	6,673	9,432	13,346	14,148	20,019
	2,412,000	3,552,605	4,827,429	7,126,871	7,239,429	10,679,476

The Body was paid grants from money voted by Parliament and Dáil Éireann. NSMC, with the approval of 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 authorised by the Budget (No. 2) (Northern Ireland) Order 2004 and from money voted by Dáil Éireann.

## 3. OTHER OPERATING INCOME in Financial Year 1 January 2005 - 31 December 2005

Other operating income comprises:

	2005 £	2004 £	2005 €	2004 €
Bank interest received	36,869	19,858	53,917	29,297
Conference Income	29,701	36,201	43,435	53,407
	66,570	56,059	97,352	82,704

#### 4. STAFF COSTS AND BOARD REMUNERATION

in Financial Year 1 January 2005-31 December 2005

(a) The average monthly number of employees (full time equivalent) per directorate was:	2005	2004
Corporate services	13	13
Policy	12	12
Operations	16	17
	<b>41</b>	<b>42</b>

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:	2005 £	2004 £	2005 €	2004 €
Salaries & Wages	1,190,369	1,214,545	1,740,796	1,791,819
Social Security Costs				
- Current Year Costs	80,101	103,306	117,140	152,407
- NIC Refund	(60,532)	-	(88,522)	-
Other Pension Costs				
- Permanent Employees ASLC's	38,478	44,923	56,270	66,275
- Fórfas Secondee	11,383	-	16,647	-
- NICS Secondees ASLC's	9,986	-	14,604	-
<b>Total Staff Costs</b>	<b>1,269,785</b>	<b>1,362,774</b>	<b>1,856,935</b>	<b>2,010,501</b>
Board Remuneration	51,336	46,460	75,074	68,542
Board Social Security Costs	39	938	57	1,384
<b>Total Board Costs</b>	<b>51,375</b>	<b>47,398</b>	<b>75,131</b>	<b>69,926</b>
<b>Total Board and Staff Costs</b>	<b>1,321,160</b>	<b>1,410,172</b>	<b>1,932,066</b>	<b>2,080,427</b>

Other pensions costs includes both pension contributions to Northern Ireland Civil Service Pension Scheme (NICSPS) in relation to seconded staff, and the Northern share of Accrued Superannuation Liability Cost (ASLC's) payable in relation to InterTradeIreland under the North/South Pension Scheme (NSPS.)

The accounting policy for pensions is detailed in Note 1.3.

A refund of National Insurance Contributions was received during the year. This arose as a result of the backdated introduction of the North/South pension scheme and subsequent change in NIC rates applied.

<b>(c) Number of employees whose emoluments for the twelve months ending 31st December 2005 fell within the following bands:</b>	<b>2005</b>	<b>2004</b>
£40,000 - 49,999	2	2
£50,000 - 59,999	-	-
£60,000 - 69,999	-	-
£70,000 - 79,999	1	2
£80,000 - 89,999	1	-

<b>(d) The Chief Executive's emoluments, (Mr Liam Nellis), were as follows:</b>	<b>2005 £</b>	<b>2004 £</b>	<b>2005 €</b>	<b>2004 €</b>
	86,817	79,653	126,961	117,512

The Chief Executive's emoluments of £86,817 comprise a salary of £86,817. On 29th April 2005, the Chief Executive became a member of the North/South Bodies pension scheme. The employers contribution element of this pension scheme, currently 15% of pensionable pay, is financed by the appropriate Government Department, North and South, on the basis of the non-capital funding ratio of the Body (2/3 South:1/3 North). Due to the fact that the two Government Departments run different accounting regimes for these contributions, the financial statements above show only the Northern share of these contributions as a 'notional' charge, and are not included as emoluments.

<b>(e) The total emoluments of the board members (including the Chairman) were as follows:</b>	<b>2005 £</b>	<b>2004 £</b>	<b>2005 €</b>	<b>2004 €</b>
	51,336	46,460	75,074	68,542

<b>(f) Number of board members whose emoluments fell within the following bands:</b>	<b>2005</b>	<b>2004</b>
Nil - STG £4,999	10	10
STG £5,000 - £9,999	2	2
STG £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 North/South Ministerial Council and approved.

## 6. OTHER OPERATING COSTS in Financial Year 1 January 2005 - 31 December 2005

	2005 £	2004 £	2005 €	2004 €
Travel and Subsistence	77,331	105,250	113,089	155,276
Publications	17,493	31,744	25,582	46,832
Postage, Stationery, Telephone	71,671	69,175	104,812	102,053
Currency Loss / (Gain)	50,218	-36,034	73,439	-53,161
Rent and Rates	206,868	201,489	302,524	297,257
Heat, Light and Power	17,094	17,396	24,999	25,665
Maintenance	10,267	11,692	15,015	17,249
Promotion	248,240	172,983	363,026	255,203
Professional Fees	48,380	49,971	70,751	73,723
Meeting Costs	3,343	1,871	4,889	2,760
Internal Auditor's Remuneration	7,208	9,313	10,541	13,739
External Auditor's Remuneration	18,000	18,000	26,323	26,555
Recruitment Costs	23,920	36,059	34,980	53,198
Bad Debt	1,274	3,809	1,863	5,620
Insurance	18,763	24,945	27,439	36,801
Pension Admin Costs	27,541	-	40,275	-
Office Expenses	31,796	14,756	46,498	21,769
Computer Expenses	54,870	46,846	80,242	69,112
Non-Capitalised Costs of Assets	10,907	7,128	15,950	10,516
Disposal of Non - Capitalised Assets	-300	-	-439	-
Training	52,413	28,733	76,649	42,389
Equality	6,649	4,020	9,723	5,930
General Expenses	4,525	6,233	6,618	9,195
Bank Charges	90	175	131	258
Hosting Costs	3,652	9,261	5,341	13,662
Cleaning	20,083	17,701	29,369	26,115
Security Costs	24,185	20,379	35,368	30,064
Equipment Hire	3,837	3,747	5,612	5,528
<b>TOTAL</b>	<b>1,060,318</b>	<b>876,642</b>	<b>1,550,609</b>	<b>1,293,308</b>

## 6(b). CORPORATION TAX PAYABLE in Financial Year 1 January 2005 - 31 December 2005

	2005 £	2004 £	2005 €	2004 €
Corporation Tax Payable	3,870	-	5,659	-

Corporation Tax arose, in InterTradelreland in 2005, due to tax paid on the interest on savings within the bank accounts.

## 7. PROGRAMME COSTS in Financial Year 1 January 2005 - 31 December 2005

7.1 InterTradelreland Costs	2005 £	2004 £	2005 €	2004 €
Sector Specific Networks	194,547	95,190	284,506	140,434
Areas of Excellence Networks	791,820	772,124	1,157,958	1,139,114
Communities of Interest Networks	306,592	164,257	448,360	242,328
Network Enabling Tools - Trade	774,043	565,971	1,131,960	834,978
Network Enabling Tools - Business Development	897,951	774,328	1,313,164	1,142,365
Business & Economic Research	372,016	438,283	544,036	646,600
Other Third Party Projects	77,181	30,741	112,869	45,352

7.2 Financial Assistance to Other Organisations	2005 £	2004 £	2005 €	2004 €
Fusion	1,032,006	836,999	1,509,206	1,234,826
Acumen	168,435	62,050	246,319	91,542
Plato	99,731	106,042	145,846	156,444
Expertise Ireland	243,497	179,010	356,090	264,093
Equity/Venture Capital	165,287	139,212	241,715	205,379
AURIL	46,802	-	68,443	-
INNOVA	97,500	-	142,584	-
Financial Assistance scheme	233,518	113,861	341,497	167,979
<b>TOTAL</b>	<b>5,500,926</b>	<b>4,278,068</b>	<b>8,044,553</b>	<b>6,311,434</b>

The work of InterTradelreland, 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.

Solely for comparative purposes, programme costs for 2004 have been re-cast to reflect the distribution of programme expenditure across the same headings as programme expenditure for 2005. The seven areas of programme expenditure for 2005 reflect the Body's approved Business Plan.

With respect to Note 7.2, Financial Assistance to other organisations, the amount of £168,435 paid out under the Acumen programme solely represents the amount paid to other organisations from *InterTradelreland* resources. Under this programme both Invest NI and Enterprise Ireland also provide financial assistance to participating organisations. *InterTradelreland* has entered into a Memorandum of Understanding with both Invest NI and Enterprise Ireland to perform a treasury function on their behalf.

A principle of this treasury function is that, within specified limits, in the event *InterTradelreland* pays monies to either an Invest NI or Enterprise Ireland client organisation, those monies may be recouped from Invest NI and Enterprise Ireland accordingly.

In the year under review, Enterprise Ireland has not availed of this function. The amount paid or committed to Invest NI client organisations under this treasury function was £125,235. Any monies not recouped from Invest NI in the period under review are accounted for in the balance sheet, as trade debtors. No element of any monies paid or committed under the treasury function on behalf of Invest NI is included in the above figure (7.2).



## 8. FIXED ASSETS in Financial Year 1 January 2005 - 31 December 2005

	FIXTURES & FITTINGS £	OFFICE EQUIP £	COMPUTER EQUIP £	TOTAL £
<b>Cost or Valuation</b>				
At 1st January 2005	196,360	82,095	264,224	542,679
Additions	5,113	-	37,421	42,534
Disposals				
<b>At 31st December 2005</b>	<b>201,473</b>	<b>82,095</b>	<b>301,645</b>	<b>585,213</b>
<b>Depreciation</b>				
At 1st January 2005	92,531	49,979	249,830	392,340
Provision for Year	29,609	9,480	12,719	51,808
Disposals				
<b>At 31st December 2005</b>	<b>122,140</b>	<b>59,459</b>	<b>262,549</b>	<b>444,148</b>
<b>Net Book Value at 31/12/05</b>	<b>£ 79,333</b>	<b>22,636</b>	<b>39,096</b>	<b>141,065</b>
	<b>€ 117,215</b>	<b>33,445</b>	<b>57,764</b>	<b>208,424</b>
<b>Net Book Value at 31/12/04</b>	<b>£ 103,829</b>	<b>32,116</b>	<b>14,394</b>	<b>150,339</b>
	<b>€ 146,918</b>	<b>45,444</b>	<b>20,368</b>	<b>212,730</b>

Fixtures and Fittings include an amount of £56,427 in respect of leasehold improvements.

## 9. DEBTORS

9. Debtors (amounts due within one year)	2005 £	2004 £	2005 €	2004 €
Trade Debtors	87,569	53,329	129,383	75,460
Prepayments and accrued income	78,281	98,257	115,661	139,034
Other Debtors	23,183	-	34,252	-
<b>Total</b>	<b>189,033</b>	<b>151,586</b>	<b>279,296</b>	<b>214,494</b>

## 10. CREDITORS

10.1 Creditors (amounts falling due less than one year)	2005 £	2004 £	2005 €	2004 €
Trade Creditors	534,997	460,390	790,459	651,452
Accruals	1,430,524	964,916	2,113,599	1,365,356
Other Creditors	23,183	-	34,252	-
Corporation Tax	3,878	-	5,730	-
<b>Total</b>	<b>1,992,582</b>	<b>1,425,306</b>	<b>2,944,040</b>	<b>2,016,808</b>

10.2 Creditors (amounts falling due in more than one year)	2005 £	2004 £	2005 €	2004 €
Trade Creditors	-	-	-	-

## 11. RESERVES

11.1 General Fund	2005 £	2004 £	2005 €	2004 €
General Fund Opening Balance	240,138	-476,320	339,795	-674,135
Surplus/(Deficit) for the year	268,857	716,458	393,177	1,056,992
Difference on Foreign Exchange Translation	-	-	19,068	-43,062
<b>General Fund Closing Balance</b>	<b>508,995</b>	<b>240,138</b>	<b>752,040</b>	<b>339,795</b>

11.2 Capital Grant Reserve	2005 £	2004 £	2005 €	2004 €
Opening Balance	150,339	193,832	212,730	274,330
Capital Grants Received	42,534	14,148	62,844	20,019
Less: Transfer to Income & Expenditure	-51,808	-57,641	-75,764	-85,038
Adjustment for Fixed Asset Disposal	-	-	-	-
Difference on Foreign Exchange Translation	-	-	8,614	3,419
<b>Capital Grants Reserve Closing Balance</b>	<b>141,065</b>	<b>150,339</b>	<b>208,424</b>	<b>212,730</b>

## 12. NOTES TO CASH FLOW STATEMENT

### 12.1 Reconciliation of surplus/(deficit) for the Financial Year 1 January 2005 - 31 December 2005 to net cash inflow from operating activities

	2005 £	2004 £	2005 €	2004 €
Surplus/(Deficit) for the year	268,857	716,458	393,177	1,056,992
<b>Adjustment for non cash transactions</b>				
Profit on Asset Disposal	-	-	-	-
Depreciation	51,808	57,641	75,764	85,038
Transfer from Capital Grant Reserve	-51,808	-57,641	-75,764	-85,038
<b>Adjustments for movements in working capital</b>				
Decrease/(Increase) in debtors	-37,447	-54,919	-64,802	-77,681
(Decrease)/increase in creditors	567,276	262,594	927,232	371,222
Difference on Foreign Exchange Translation	-	-	19,068	-43,062
<b>Net cash inflow from operating activities</b>	<b>798,686</b>	<b>924,133</b>	<b>1,274,675</b>	<b>1,307,471</b>

12.2 Reconciliation of net cash inflow to movement in net debt	2005 £	2004 £	2005 €	2004 €
Cash at Bank and in hand at 1 January 2005	1,513,858	589,725	2,142,109	834,638
Net Cash Inflow	798,686	924,133	1,274,675	1,307,471
Difference on Foreign Exchange Translation	-	-	-	-
<b>Cash at Bank and in hand at 31 December 2005</b>	<b>2,312,544</b>	<b>1,513,858</b>	<b>3,416,784</b>	<b>2,142,109</b>

## 13. CAPITAL COMMITMENTS

13.1 Capital commitments at 31 December 2005 for which no provision has been made	£
Contracted	-
Authorised but not contracted	-
<b>Total</b>	<b>-</b>
<b>13.2 Other Commitments</b>	<b>8,709,103</b>

This commitment relates mainly to letters of offer which were issued prior to the year end in respect of ACUMEN, FUSION, INNOVA and other programmes.

## 14. CONTINGENT LIABILITIES

A Tribunal case has been taken against InterTradeIreland. The best legal advice is that this will not be successful.

## 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 partment 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 Department of Finance and Personnel (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:

#### 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.

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

Board Member	Organisation	Amount Paid 2005
Mr Feargal McCormack	FPM, Chartered Accountants	£4,993.75

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

Board Member	Company / Organisation	Position Held
Ms Jackie Harrison	Irish Business and Employers Confederation (IBEC)	Director of Social Policy.
Ms Mary Ainscough	Dublin City University	Director of Equality
Mr Feargal McCormack	Helix Innovation Partnership Limited	Financial accountant & auditor
Mr Feargal McCormack	Microtrade Ireland	Supply of consultancy services

## 16. OBLIGATIONS UNDER LEASES

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

	Land & Buildings				Other			
Operating leases Which Expire	2005 £	2005 €	2004 £	2004 €	2005 £	2005 €	2004 £	2004
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Within One Year	4	6	-	-	-	4	6	-
In two to five years	-	-	-	-	-	-	4	6
Over five Years	159	235	159	225	-	-	-	-
<b>TOTAL</b>	<b>159</b>	<b>235</b>	<b>159</b>	<b>225</b>	<b>4</b>	<b>6</b>	<b>4</b>	<b>6</b>

## 17. LOSSES AND SPECIAL PAYMENTS

There has been no losses or 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

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







This publication is available on request in alternative formats including Irish language, Ulster Scots, Braille, disk and audio cassette.

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