











































## Innova



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.

By the end of 2006 all eight Innova collaborative projects were operational representing partnerships

across a range of health and technology issues, including cancer diagnostics, colon cancer treatment, microscopy instruments and a hygiene management system for health care institutions.

The partners are:

- Fusion/Luxcel - Cancer in vitro diagnostic
- Randox/Biotrin - Pancreatitis diagnostic
- Dunbia/Alltech - Antioxidant/anticancer product
- Fusion/Opsona - Inflammatory & autoimmune drugs
- Aepona/Rococo - Enterprise application server/telecoms
- EiRx/Almac - Colon cancer
- Andor/FBM - Microscopy
- Hunter/Itronic - MRSA controls

### Innova - EIRX

Cork based EiRx Therapeutics Ltd specialise in therapeutic manipulation of tumour cell growth and survival mechanisms while Almac Diagnostics of Craigavon is a world class genomic screening organisation specialising in the isolation of genes to identify specific diseases.

InterTradelreland's Innova programme has enabled the companies to work together to develop a treatment for colon cancer and has accelerated their plan to engineer colonic cancer cells and analyse the genes which need to be 'switched off' to prevent them multiplying further into malignant tumours.

Both companies believe that this kind of collaboration will benefit their growth and contribute significantly to the reputation of the island of Ireland as a centre of excellence attracting the attention of the big global pharma companies. They are clear that apart from the prospects for their specific project, funding such as Innova will create a significant pool of excellence, produce world-class research and create world-class jobs.

## The North-South Waste Management Forum

The Forum, initiated by Irish Central Border Area Network (ICBAN)/Special EU Programmes Body (SEUPB) towards the end of 2005, had its first formal meeting on 31st January 2006, hosted by InterTradelreland. Membership included SEUPB; ICBAN; Dept of Environment, Heritage and Local Government; Environmental Protection Agency; Dept of Environment NI; Southern Waste Management Partnership (SWAMP); Monaghan County Council; Forfás; Invest NI; IBEC/CBI Joint Council and InterTradelreland.

## British Irish InterGovernmental Conference

At the beginning of 2006 a project on North/South Economic Co-operation, was commenced in response to the call made by the Secretary of State for Northern Ireland and the Minister for Foreign Affairs at the meeting of the British Irish Intergovernmental Conference on the 2nd February 2006. The Secretary of State and the Minister for Foreign Affairs noted specifically the scope for further practical co-operation of the development of an all-island economy and agreed that a comprehensive study should be undertaken to identify areas where future co-operation would deliver mutual benefits and examine how such co-operation might best be taken forward.

The project team had representation from the Department of Enterprise, Trade and Investment, InterTradelreland and Forfás, and an Oversight Group drawing senior representation from Office of the first Minister, Deputy First Minister, the Department of the Taoiseach, Department of Enterprise Trade and Investment, Department of Enterprise Trade and Employment, Department of Foreign Affairs, Department for Employment and Learning,

North South Ministerial Council, InterTradelreland and the business community.

InterTradelreland provided inputs on the four key areas of Science, Technology and Innovation, Enterprise and Business Development, Trade and Investment Promotion and Labour Market and Skills. The report "A Comprehensive Study on the All-Island Economy" was published in November 2006 by the Secretary for State Peter Hain MP and Minister for Foreign Affairs Dermot Ahern TD. The report had been requested by the British Irish InterGovernmental Conference and InterTradelreland was involved at every stage of its production. The report stated a vision of an island characterised by a strong competitive and socially inclusive island economy with strong island-wide economic clusters whose development is not impaired by the existence of a political border.

## 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.

## GEM Ireland 2005 (Global Entrepreneurship Monitor) - May 2006

InterTradelreland, in association with Enterprise Ireland and Forfás launched the GEM Ireland 2005 report on 2 May 2006. The report assesses the current state of entrepreneurship in Ireland. These results are then compared with the position across the other 36 countries involved in GEM. The 2005 report found that Ireland remains one of the leading countries in Europe in terms of entrepreneurship and is fast approaching the levels of early stage entrepreneurial activity prevalent in the United States.

### Fostering Entrepreneurship – Ernst and Young Case Materials

Case Studies were compiled for 7 entrepreneurs/companies selected from the Ernst & Young Entrepreneur of the Year Award finalists from 2004 and 2005. The case studies were produced in DVD format and distributed to schools and colleges across the island.

### Spatial Strategies on the Island of Ireland - Development of a Framework for Collaborative Action

This report used international case studies to demonstrate how cross border co-operation between separate countries on spatial development and infrastructure co-ordination can increase

their competitiveness while maintaining the integrity of individual jurisdictions. At the moment there are two spatial strategies on the island of Ireland - The key finding from this report is that the complementary features of The National Spatial Strategy for Ireland and the Regional Development Strategy for Northern Ireland should be drawn out and linked. In collaboration with the International Centre for Local and Regional Development (ICLRD) and the Department of Regional Development and the Department of the Environment, Heritage and Local Government, work was undertaken to advance the recommendation for a collaborative framework for action linking both spatial strategies on the island.

### Launch of Spatial Strategies on the Island of Ireland Report

The report recommended that the two Governments establish a new framework for collaborative action. It used several European case examples, illustrating a diverse range of cross-border initiatives, to show that collaboration on spatial development and infrastructure can increase the competitiveness of individual countries while maintaining the integrity of individual jurisdictions.



Feargal McCormack, Chairman of ICLR, InterTradeIreland Chairman Dr Martin Naughton and Strategy & Policy Director, Aidan Gough at the launch of 'Spatial Strategies on the Island of Ireland' June 2006.

### All-Island Innovation Systems Project - Paper delivered April 2006

There were two outputs from this project:

- A chapter on the innovation system in Ireland for a book comprising of a ten country study of innovation systems in small countries in Europe and Asia that will be published next year
- A paper delivered in April 2006 that addresses two main questions. First, what are the strengths and weaknesses of the innovation systems on the island of Ireland and how do they compare to those of other small economies? Second, is the evidence on the characteristics and properties of the innovation systems of Northern Ireland and Ireland consistent with the existence of an all-island system of innovation? The findings of the paper were that although the structure of the innovation system in Ireland and Northern Ireland are weak the two economies tend to lead most benchmarked countries both in the extent and quality of innovation achieved and in terms of economic growth. The apparent contradiction is explained by inward technology transfer. Little evidence was found to suggest an all-island system.

### Direct Shipping to North America

InterTradeIreland contributed to the Direct Shipping to North America Study in 2006.

The principle aims of the project are:

- To examine current services and shipping arrangements being used by Irish Exporters and Importers on Transatlantic routes.
- To examine present traffic volumes, current and future trends
- To identify future shipping requirements on these routes, taking into account requirements for non-standard containers or other vehicles and ships
- To determine the intentions of the Lines currently on the routes concerning future service development for Irish cargoes.
- To identify the capabilities of Irish Ports to handle the type of vessels required for such shipping.
- To identify the N. American Ports suitable for such traffics.
- To identify Lines and Operators who may enter the Irish Market.

The final report is due to be launched in 2007.

### Business Networks on the Island of Ireland

This report presented a snapshot of the business networks and clusters on the island of Ireland. It concludes that the incidence of networks and clusters is widespread and that significant numbers of companies are involved. In fact, the report identifies a total of 110 networks and clusters across the island – with participation drawn from close to 10,000 firms, 93% of which are small or medium-sized enterprises.

## Launch of report into Business Networks on the Island of Ireland

A report into Business Networks on the Island of Ireland was published in July 2006 which recommended increasing the number of Networks and Clusters on the island of Ireland through awareness raising and involving all the development agencies North and South in detailing the potential benefits to business. Practically, the aim is to provide local firms with access to information on how and why to set up a network, provide a central resource to facilitate companies to connect with other networks and help existing and new networks to access a mix of financial and technical support. The second recommendation was to improve the range and scope of Network and Cluster facilitation by establishing a programme for training and professional development of network facilitators which will lead to a recognised and independently monitored qualification. Recommendations three and four were to improve the flow of information by establishing a network information repository and to develop credible data on Network and Cluster performance.

"Economists have pinpointed the importance of dense collaborative networks to regional business success in the US, Italy and Germany. However until this report, we knew very little about the extent of business networks across the island of Ireland. With the implementation



L to R Paul McCormack Newry and Mourne Enterprise Agency, Dermot O Doherty InterTradelreland and Bridie Corrigan-Mathews Skillsnet at the launch of the Business Networks Report.

of these recommendations we will be bringing a wider and more comprehensive approach to the development of networks than is available anywhere else in the world. This is the first attempt to introduce such a broad networks strategy with a clearly articulated and adequately funded action plan" (Aidan Gough, InterTradelreland Strategy & Policy Director)

## Mapping Study of Research & Technological Development Centres on the Island of Ireland

In September 2006 the InterTradelreland Board engaged in an all-island Mapping Study of the Research & Technological Development (RTD) Centres on the island of Ireland. RTD centres, Centres of Competence and Centres for Science Engineering and Technology (CSETs) exist North and South, but are not directly comparable in terms of structure and services. In order to inform policy with regards to closer collaboration between centres on an all-island basis, a comprehensive mapping exercise of the relevant centres was required. In due course the mapping study will be used to inform the development of a collaborative strategy for action on the part of policy makers and development agencies, North and South, to promote and develop links in this area. To oversee the study a Steering Group, comprising representatives from the Department of Enterprise, Trade & Investment, the Department of Enterprise, Trade & Employment, and the Department for Employment & Learning, Invest Northern Ireland, Enterprise Ireland, Science Foundation Ireland and InterTradelreland was established in October 2006.

## All-Island Business Model

The All-Island Business Model was completed in 2006. Taken together the constituent reports greatly enhance our understanding of firm level activity on the island. The report was published as a series of monographs on the Economic Research Institute of Northern Ireland (ERINI) and InterTradelreland websites:

- Cross border business co-operation and business performance
- Who exports? A Firm level study of the characteristics of exporters and the determinants of export performance for Northern Ireland and the Republic of Ireland
- Competitive performance in industry: an all island review
- Innovation success and business performance: an all-island analysis
- How is competitiveness distributed in Irish industries
- Productivity, profitability and the cost structure of manufacturing in Ireland and Northern Ireland

### Visit of EU Commissioner Charlie McCreevy to InterTradelreland

"The creation of an all-island approach to the economy is a sub-set of creating a fully functioning internal market. Every step-up in scale, every advance towards openness, every barrier removed, creates opportunity and grows potential." EU Commissioner Charlie McCreevy speaking in Newry, as guest of InterTradelreland in June 2006, to over 100 business people, senior policy makers and elected representatives North and South.



EU Commissioner Charlie Mc Creevy speaking in Newry June 2006.

### On-Line Facilities and Resources

#### Business and Economic Research Reports - Downloads 2006:

- Mapping the Bio Island (2003) – 1,223;
- A Review of the All-Island Construction Sector (July 2003) - 2,574;
- North/South Trade: A Statistical Ground Clearing Exercise (2003) - 362;
- A North/South Analysis of Manufacturing Growth and Productivity (2003) – 858;
- A Review of the Horticulture Industry (2004) – 621;
- Entrepreneurship on the Island of Ireland in 2003 – 111;
- Review of the All-Island Financial Services Sector (2004) – 495;
- Cutting Our Cloth: A review of the All-Island Clothing and Textiles Industry (2005) 655; and
- Entrepreneurship on the Island of Ireland in 2004 – 5,627.

### Get2Business

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

InterTradelreland launched the get2business website on 15th February 2006. The website was developed to meet the need for a central database of information to help companies to develop their business. In November 2005 InterTradelreland published the report Entrepreneurship on the Island of Ireland

which highlighted difficulties experienced by companies in accessing all the relevant information on support, advice and training available for new and growing businesses on the island. Through the Get2Business website InterTradelreland has addressed this information gap with a one-stop source that also directs users to relevant resources. In 2006 the site received 2,569 visits and 38,396 hits.

### Launch of Get2business portal launched 15 February 2006

Pictured: Rachel Mullan who test piloted the new get2business portal and used the information to start her own Event Management business, Occasions by Rachel. The site offers a range of help to companies including business planning, networking, training and mentoring and finance. It is a comprehensive database of enterprise support organisations.



Rachel Mullen launching the Get2business portal

[www.expertiseireland.com](http://www.expertiseireland.com)



Funded by InterTradelreland and jointly managed with Irish Universities Association, 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.

In 2006 the number of expert profiles exceeded 39,975 and a total of 770 new users registered with the portal. There were 30,557 visits, 890,803 hits and a total of 20,620 searches were carried out during the year, with 9,540 expert profiles being accessed. In March 2006 expertiseireland.com participated in Invest NI's Innovation Week as part of awareness-raising activity among SME's.

[www.go-source.com](http://www.go-source.com)



Go-Source is our 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 website provides links to live tenders, hints on accessing contracts and valuable information on the structure of Government bodies and their procurement procedures. Usage of the website captured by WebTrends for 2006 is "76,671 visits" and "799,362 hits".

#### Trade Statistics Website

The InterTradelreland Trade Statistics website enables access to a range of comparable data on trade and production for Northern Ireland, Ireland and composite all-island data in the form of statistics, charts, and interactive graphs. During 2006 there were a total of 1,384 "visits" to the website and 1,119,912 "hits"

#### Performance Indicator:

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

**Achieved 2006 - £30.8M/c€45M  
Business Plan Target - £20M/c€29M**

#### FUSION

Results of monitoring the companies that have completed a Fusion programme show an additional value in 2006 of £4.474M/c€6.58M.

#### ACUMEN

Acumen performance for 2006 for the companies who have completed the programme is additional sales of £14.5M/c€21.31M and 46 additional jobs created.

#### EquityNetwork

In 2006 companies that participated in the Seedcorn Competition raised a total of £8.151M/c€11.98M.

#### MicroTrade

The 'Main Event' held in April 2006, and the 'Business to Business Link-ups' initiative have returned a trade value of £1.096M/c€1.61M.

#### FOCUS

In 2006 the total sales achieved by companies on the FOCUS Programme was £1.719M/c€2.53M.

#### Network & Getwork

Companies who have participated in the Network & Getwork programme have reported a business development value for 2006 of £0.794M/c€1.17M.

#### Efficiency Ratio of Operating Costs 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, to 1:2.3 in 2005 and to 1:2.7 in 2006.

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

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

## Business Review

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

## Results for the Financial Year 1 January 2006 - 31 December 2006

The results of the Trade and Business Development Body are set out in detail on page 60. The surplus for the period was £427,846 (€627,526).

## Fixed Assets

Details of movement of fixed assets are set out in note 8 & 9 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 2007 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 2006, which would affect these accounts.

## Charitable Donations

The Trade and Business Development Body paid £470 (€689.35) to the Newry Chamber of Commerce and Trade for ten board members and senior management to attend their annual Business Christmas Charity Lunch. Participation in this event was warranted by the networking opportunities. Charities aided by this event included Rathfriland Hill School, St. Vincent De Paul, Salvation Army and Daisy Hill Hospital Newry.

## Board Members

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

Dr Martin Naughton (Chairman)

Mr Barry Fitzsimons (Vice Chairman)

Ms Mary Ainscough

Mr John Fitzgerald

Mr Jack Gilmour

Ms Jackie Harrison

Mr Carl McCann

Mr Feargal McCormack

Ms Inez McCormack

Mr Robbie Smyth

Ms Rosaleen Doherty (appointed 11 October 2006)

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-six 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**  
**04 July 2007**

## Statement of Responsibilities

### Trade and Business Development Body Responsibilities

The Finance Departments have directed the Trade and Business Development Body to prepare a statement of accounts for each year ended 31 December 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 calendar 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 Sponsor Departments, 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 any material departures in the financial statements;
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Trade and Business Development Body will 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**  
**04 July 2007**

### Statement on Internal Control

As Accountable Person, 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 in Government Accounting Northern Ireland and Public Finance Procedures.

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 2006 and up to the date of approval of the annual report and accounts, and accords with the Finance Departments' guidance.

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 2006. Risk management has been incorporated more fully into the corporate planning and decision making processes of the Trade and Business Development Body.

As Accountable Person, I have responsibility for reviewing the effectiveness of the system of internal control. 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 2006 included:

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

- Quarterly review of the risk register,
- Meeting 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).
- Taking cognisance of the recommendations and conclusions of evaluations around the Body's own programmes and those of its' sister agencies so as to continually strive for best practice in terms of programme delivery and propriety.

A recent example of enhancements to the system of internal control arose from an evaluation by external consultants of a pilot programme in the Republic of Ireland. This programme is jointly funded by InterTradelreland. The evaluation revealed that there were instances where consultants

involved in rolling out the programme had minor interests in investments made through the programme. These investments did not relate to that element of the programme funded by InterTradelreland. However in order to ensure the highest standards of propriety, the Board of InterTradelreland directed that going forward:

- All personnel (consultants, staff and related persons) associated with this programme are to complete and sign a Declarations of Interest form.
- All declarations will be tabled and considered at Monitoring Committee meetings.
- All employees, consultants and related parties are precluded from investing in businesses that are dealt with by the programme.

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, InterTradelreland 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 InterTradelreland 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**  
**4-Jul-07**

## Trade and Business Development Body

### The Certificate of the Comptrollers and Auditors General to the Northern Ireland Assembly and the Houses of the Oireachtas

We have audited the accounts on pages 59 to 76. Our audit has been carried out pursuant to the provisions of the North/South Co-operation (Implementation Bodies) (Northern Ireland) Order 1999 and the British-Irish Agreement Act 1999 which require us to audit and certify, in co-operation, the accounts presented to us by the Body

### Respective Responsibilities of the Board, the Chief Executive and the Auditors

The responsibilities of the Board of the Body and the Chief Executive, including those pertaining to the preparation of the financial statements and the regularity of financial transactions are set out in the Foreword to the accounts on pages 50-53 and the statement of the Board's and the Chief Executive's responsibilities on page 54.

We review whether the statement on pages 55-57 reflects the Body's compliance with applicable guidance on corporate governance and report on any material instance where it does not do so, or if the statement is misleading or inconsistent with other information we are aware of from our audit of the accounts. We also report if, in our opinion, the Foreword or other information in the Annual Report is not consistent with the accounts.

### Basis of Opinion

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

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

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

### Opinion

#### In our opinion:

- Proper accounting records have been kept by the Body and the accounts, which are in agreement with them, give a true and fair view of the state of affairs of the Body at 31st December 2006 and of its transactions, total recognised gains and losses and cash flows for the year then ended and have been properly prepared in accordance with the accounts direction issued under the governing legislation.
- In all material respects the expenditure and income have been applied to the purposes intended by the Northern Ireland Assembly and Dail Eireann and the financial transactions conform to the authorities which govern them

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Comptroller and Auditor General  
for Northern Ireland  
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2007

John Purcell  
Irish Comptroller and  
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Dublin Castle  
Dublin 2  
2007

## Income and Expenditure account for Financial Year 1 January 2006 - 31 December 2006

	Notes	2006 £	2005 £	2006 €	2005 €
<b>INCOME</b>					
Revenue Grants from Departments	2	9,896,027	8,088,561	14,514,502	11,828,712
Capital Grant Release from Departments	13.2	50,898	51,808	74,652	75,764
Other Operating Income	3	102,393	66,570	150,180	97,352
<b>TOTAL INCOME</b>		<b>10,049,318</b>	<b>8,206,939</b>	<b>14,739,334</b>	<b>12,001,828</b>
<b>EXPENDITURE</b>					
Staff Costs and Board Remuneration	4	1,401,286	1,321,160	2,055,266	1,932,066
Depreciation	8.9	50,898	51,808	74,652	75,764
Other Operating Costs	6	1,149,717	1,060,318	1,686,287	1,550,609
Programme Costs	7	7,008,933	5,500,926	10,280,001	8,044,553
		9,610,834	7,934,212	14,096,206	11,602,992
<b>Corporation Tax Payable</b>	<b>6 (b)</b>	<b>10,638</b>	<b>3,870</b>	<b>15,602</b>	<b>5,659</b>
Surplus/(Deficit) for the period		427,846	268,857	627,526	393,177
Surplus/(Deficit) transferred to General Fund		427,846	268,857	627,526	393,177

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 61 to 76 form part of these accounts.

## Balance Sheet as at 31 December 2006

	Notes	2006 £	Re-Styled 2005 £	2006 €	Re-Styled 2005 €
<b>FIXED ASSETS</b>					
Intangible Assets	8	12,883	-	19,105	-
Tangible Assets	9	126,423	141,065	187,485	208,424
		139,306	141,065	206,590	208,424
<b>CURRENT ASSETS</b>					
Debtors	10	229,068	189,033	339,708	279,296
Cash at bank and in hand	14.2	3,877,229	2,312,544	5,749,928	3,416,784
		4,106,297	2,501,577	6,089,636	3,696,080
<b>CURRENT LIABILITIES</b>					
Creditors - amounts due in less than one year	11.1	1,493,041	1,097,938	2,214,179	1,622,204
Provisions - amounts due in less than one year	12	1,676,415	894,644	2,486,125	1,321,836
		3,169,456	1,992,582	4,700,304	2,944,040
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<b>936,841</b>	<b>508,995</b>	<b>1,389,332</b>	<b>752,040</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>1,076,147</b>	<b>650,060</b>	<b>1,595,922</b>	<b>960,464</b>
Creditors - amounts due in more than one year	11.2	-	-	-	-
<b>TOTAL ASSETS LESS TOTAL LIABILITIES</b>		<b>1,076,147</b>	<b>650,060</b>	<b>1,595,922</b>	<b>960,464</b>
Financed by :					
<b>CAPITAL AND RESERVES</b>					
General Fund	13.1	936,841	508,995	1,389,332	752,040
Capital Grant Reserve	13.2	139,306	141,065	206,590	208,424
		1,076,147	650,060	1,595,922	960,464

The notes on pages 61 to 76 form part of these accounts.

Liam Nellis  
CHIEF EXECUTIVE  
13 March 2007

**Cash Flow Statement for the year 1 January 2006 - 31 December 2006**

	Notes	2006 £	2005 £	2006 €	2005 €
<b>Operating Activities</b>					
Net cash inflow/(outflow) from Operating Activities	14.1	1,564,685	798,686	2,333,144	1,274,675
<b>Capital expenditure and financial investment</b>					
Payments to acquire Tangible Fixed Assets		-49,139	-42,534	-72,074	-62,844
<b>Disposal Proceeds</b>					
<b>Financing</b>					
Grant Received for Capital Purposes	8.9	49,139	42,534	72,074	62,844
<b>Increase/(Decrease) in Cash</b>		<b>1,564,685</b>	<b>798,686</b>	<b>2,333,144</b>	<b>1,274,675</b>

The notes on page 61 to 76 form part of these accounts.

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2006****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**

- a) All Fixed Assets are included at cost or valuation to the body. Intangible assets comprise purchased software.
- b) Depreciation is calculated to write off the cost or revalued amounts of fixed assets within their useful lives. The methods adopted and rates used per annum are as follows:
- |                        |                            |
|------------------------|----------------------------|
| Software Licences      | 20% Straight Line          |
| Office Equipment       | 15% Straight Line          |
| Fixtures & Fittings    | 15% Straight Line          |
| Computer Equipment     | 33.33% Straight Line       |
| Leasehold Improvements | Remainder of life of lease |
- c) A capitalisation threshold of £500 has been applied in the accounts during 2006.

**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 organizations. 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 2006 will be the cost of pensions paid to the extent that this cost is ultimately borne by the Irish Exchequer. Secondees from the Northern Ireland Civil Service continue to be members of the Principal Civil Service Pension Scheme (NI). Secondees 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=€1.483 and the rate used for the Income and Expenditure Account was £1=€1.4667.

### 1.6 Provisions

InterTradeIreland makes provisions for liabilities and charges where, at the balance sheet date, a legal or constructive liability exists (i.e. a present obligation from past events exists), where the transfer of economic benefits is probable and a reasonable estimate can be made.

### 1.7 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.

### 1.8 Leases

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

### 1.9 Prior Period Adjustment

A prior period adjustment has been made to the 2005 balance sheet creditors figure re presentation of the current liabilities figure. The 2005 current liabilities figure has been restated to show the split between creditors, amounts due in less than one year and provisions, amounts due in less than one year.

## 2. GRANT FROM THE DEPARTMENTS

### 2.1 Financial Year 1 January 2006 - 31 December 2006

	DETI £	DETI €	DETE £	DETE €	TOTAL £	TOTAL €
Revenue Grant	3,269,147	4,820,651	6,573,640	9,615,763	9,842,787	14,436,415
Non-cash Revenue Grant	53,240	78,087	-	-	53,240	78,087
	3,322,387	4,898,738	6,573,640	9,615,763	9,896,027	14,514,502
Capital Grant	16,380	24,028	32,759	48,048	49,139	72,074
	3,338,767	4,922,766	6,606,399	9,663,811	9,945,166	14,586,576

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 2006. 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 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 Body was paid grants from money voted by Parliament and Dail Eireann. 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 2006 and from money voted by Dail Eireann.

## 3. OTHER OPERATING INCOME in Financial Year 1 January 2006 - 31 December 2006

Other operating income comprises:

	2006 £	2005 £	2006 €	2005 €
Bank interest received	70,036	36,869	102,722	53,917
Conference Income	32,357	29,701	47,458	43,435
	102,393	66,570	150,180	97,352

#### 4. STAFF COSTS AND BOARD REMUNERATION in Financial Year 1 January 2006 - 31 December 2006

(a) The average monthly number of employees (full time equivalent) per directorate was:	2006	2005
Corporate services	13	13
Policy	11	12
Operations	17	16
	<b>41</b>	<b>41</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:	2006 £	2005 £	2006 €	2005 €
Salaries & Wages	1,219,337	1,190,369	1,788,402	1,740,796
Social Security Costs				
- Current Year Costs	64,897	80,101	95,184	117,140
- NIC Refund		(60,532)		(88,522)
Other Pension Costs				
- Permanent Employees ASLC's	53,240	38,478	78,087	56,270
- Forfas Secondee	11,268	11,383	16,527	16,647
- NICS Secondees ASLC's	5,613	9,986	8,232	14,604
<b>Total Staff Costs</b>	<b>1,354,355</b>	<b>1,269,785</b>	<b>1,986,432</b>	<b>1,856,935</b>
Board Remuneration	46,910	51,336	68,803	75,074
Board Social Security Costs	21	39	31	57
<b>Total Board Costs</b>	<b>46,931</b>	<b>51,375</b>	<b>68,834</b>	<b>75,131</b>
<b>Total Board and Staff Costs</b>	<b>1,401,286</b>	<b>1,321,160</b>	<b>2,055,266</b>	<b>1,932,066</b>

Other pensions costs includes both pension contributions to NICSPS in relation to seconded staff, and the Northern share of ASLC's payable in relation to ITI under the NSPS. The accounting policy for pensions is detailed in Note 1.3

A refund of National Insurance Contributions was received during 2005. This arose as a result of the backdated introduction of the North/South pension scheme, and subsequent change in NIC rates applied.

(c) Number of employees whose emoluments for the twelve months ending 31st December 2005 fell within the following bands:	2006	2005
£40,000 - 49,999	2	2
£50,000 - 59,999	-	-
£60,000 - 69,999	-	-
£70,000 - 79,999	1	1
£80,000 - 89,999	1	1

(d) The remuneration of the Chief Executive's & senior management team, were as follows:						
	Salary 2006 £'000	Salary 2006 €'000	Benefits in Kind 2006 £	Salary 2005 £'000	Salary 2005 €'000	Benefits in kind 2005 £
Chief Executive: Mr Liam Nellis	88,944	130,454	-	86,817	126,961	
Mr Laurence Lord	Consent Withheld	Consent Withheld	-	Consent Withheld	Consent Withheld	-
Mr Aidan Gough	Consent Withheld	Consent Withheld	-	Consent Withheld	Consent Withheld	-
Ms Catriona Regan	Consent Withheld	Consent Withheld	-	Consent Withheld	Consent Withheld	-

<b>(e) Details of remuneration of the Chairman and Board Members were as follows:</b>						
	<b>Fees 2006 £'000</b>	<b>Fees 2006 €'000</b>	<b>Benefits in Kind 2006 £</b>	<b>Fees 2005 £'000</b>	<b>Fees 2005 €'000</b>	<b>Benefits in kind 2005 £</b>
Mr Martin Naughton (Chairman)	7.2	10.1	-	6.8	10.1	-
Mr Barry Fitzsimmons (Vice-Chairman)	5.2	7.6	-	5.2	7.6	-
Mr Fergal McCormack	4	6.0	-	4	5.8	-
Mr Robbie Smyth	4.3	6.3	-	4.3	6.3	-
Mr Jack Gilmore	4	6.0	-	4	5.8	-
Mr John Fitzgerald	4.3	6.3	-	4.3	6.3	-
Mr Carl McCann	4.3	6.3	-	4.3	6.3	-
Ms Inez McCormack	4	6.0	-	4	5.8	-
Ms Jackie Harrison	4.3	6.3	-	4.3	6.3	-
Ms Mary Ainscough	4.3	6.3	-	4.3	6.3	-
Ms Rosaleen Doherty	1	1.5	-	-	-	-
Ms Mary Breslin	-	-	-	4	5.8	-
Mr Trefor Campbell (resigned 2 June 2005)	-	-	-	2	2.9	-

Up to June 2006, the salary of Mr John Fitzgerald was paid directly to his employer as reimbursement of salary costs incurred.

<b>(f) Pension details of the Chief Executive and Senior Management team as at 31 December 2006:</b>					
	<b>Real increase in pension &amp; related lump sum at age 60 £'000</b>	<b>Total accrued pension at age 60 at 31st Dec 2006 £'000</b>	<b>CETV at 31 Dec 2006 nearest £'000</b>	<b>CETV at 31 Dec 2005 nearest £'000</b>	<b>Real Increase in CETV nearest £'000</b>
Chief Executive : Mr Liam Nellis	0 - 2.5 Plus 2.5 - 5 Lump sum	7.5 - 10	39	21	18
Mr Laurence Lord	Consent Withheld	Consent Withheld	Consent Withheld	Consent Withheld	Consent Withheld
Mr Aidan Gough	Consent Withheld	Consent Withheld	Consent Withheld	Consent Withheld	Consent Withheld
Ms Catriona Regan	Consent Withheld	Consent Withheld	Consent Withheld	Consent Withheld	Consent Withheld

## 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 2006 - 31 December 2006

	<b>2006 £</b>	<b>2005 £</b>	<b>2006 €</b>	<b>2005 €</b>
Travel and Subsistence	79,738	77,331	116,952	113,089
Publications	13,217	17,493	19,385	25,582
Postage, Stationery, Telephone	71,651	71,671	105,090	104,812
Currency Loss / (Gain)	42,948	50,218	62,991	73,439
Rent and Rates	214,904	206,868	315,200	302,524
Heat, Light and Power	21,876	17,094	32,086	24,999
Maintenance	39,674	10,267	58,189	15,015
Promotion	121,757	248,240	178,582	363,026
Professional Fees	166,030	48,380	243,516	70,751
Meeting Costs	3,257	3,343	4,777	4,889
Internal Auditor's Remuneration	3,342	7,208	4,902	10,541
External Auditor's Remuneration	18,000	18,000	26,401	26,323
Recruitment Costs	31,390	23,920	46,039	34,980
Bad Debt	0	1,274	0	1,863
Insurance	19,135	18,763	28,065	27,439
Pension Admin Costs	45,029	27,541	66,043	40,275
Office Expenses	9,768	31,796	14,326	46,498
Computer Expenses	127,324	54,870	186,746	80,242
Non-Capitalised Costs of Assets	11,607	10,907	17,024	15,950
Disposal of Non - Capitalised Assets	0	-300	0	-439
Training	32,882	52,413	48,228	76,649
Equality	8,103	6,649	11,885	9,723
General Expenses	7,657	4,525	11,231	6,618
Bank Charges	229	90	335	131
Hosting Costs	9,580	3,652	14,051	5,341
Cleaning	22,612	20,083	33,166	29,369
Security Costs	25,211	24,185	36,976	35,368
Equipment Hire	2,796	3,837	4,101	5,612
<b>TOTAL</b>	<b>1,149,717</b>	<b>1,060,318</b>	<b>1,686,287</b>	<b>1,550,609</b>

**6(b). CORPORATION TAX PAYABLE in Financial Year 1 January 2006 - 31 December 2006**

	2006 £	2005 £	2006 €	2005 €
Corporation Tax Payable	10,638	3,870	15,602	5,659

Corporation Tax arose, in InterTradelreland in 2006, due to tax paid on the interest on savings within the bank accounts.

**7. PROGRAMME COSTS in Financial Year 1 January 2006 - 31 December 2006**

<b>7.1 InterTradelreland Costs</b>	2006 £	2005 £	2006 €	2005 €
Sector Specific Networks	294,649	194,547	432,162	284,506
Areas of Excellence Networks	560,147	791,820	821,568	1,157,958
Communities of Interest Networks	466,372	306,592	684,028	448,360
Network Enabling Tools - Trade	770,804	774,043	1,130,538	1,131,960
Network Enabling Tools - Business Development	911,186	897,951	1,336,437	1,313,164
Business & Economic Research	178,222	372,016	261,398	544,036
Other Third Party Projects	130,233	77,181	191,012	112,869

<b>7.2 Financial Assistance to Other Organisations</b>	2006 £	2005 £	2006 €	2005 €
Fusion	2,204,961	1,032,006	3,234,016	1,509,206
Acumen	194,286	168,435	284,959	246,319
Plato	31,256	99,731	45,843	145,846
Expertise Ireland	155,514	243,497	228,092	356,090
Equity/Venture Capital	170,375	165,287	249,889	241,715
AURIL	-	46,802	-	68,443
INNOVA	748,294	97,500	1,097,523	142,584
Focus	158,391	-	232,312	-
Financial Assistance scheme	34,243	233,518	50,224	341,497
TOTAL	7,008,933	5,500,926	10,280,001	8,044,553

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

With respect to Note 7.2, Financial Assistance to other Organisations, the amount of £194,286 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 £101,709. 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.

**8. INTANGIBLE ASSETS**

<b>in Financial Year 1 January 2006 - 31 December 2006</b>	Software Licences £	Total £	Total €
<b>Cost or Valuation</b>			
At 1st January 2006			
Additions	13,886	13,886	20,368
Disposals			
At 31st December 2006	13,886	13,886	20,368
<b>Depreciation</b>			
At 1st January 2006			
Provision for Year	1,003	1,003	1,471
Disposals			
At 31st December 2006	1,003	1,003	1,471
<b>Net Book Value at 31/12/06</b>	<b>12,883</b>	<b>12,883</b>	<b>18,897</b>
<b>Currency Translation Adjustment</b>			<b>208</b>
<b>Net Book Value at 31/12/06</b>	<b>12,883</b>	<b>12,883</b>	<b>19,105</b>
<b>Net Book Value at 31/12/05</b>	<b>-</b>	<b>-</b>	<b>-</b>

**9. FIXED ASSETS in Financial Year 1 January 2006- 31 December 2006**

	Leasehold Improvement £	Fixtures & Fittings £	Office Equip £	Computer Equip £	Total £	Total €
<b>Cost or Valuation</b>						
At 1st January 2006	145,225	56,248	82,095	301,645	585,213	864,653
Additions		5,658	577	29,018	35,253	51,706
Disposals				-6,216	-6,216	-9,117
At 31st December 2006	145,225	61,906	82,672	324,447	614,250	907,242
<b>Depreciation</b>						
At 1st January 2006	88,798	33,342	59,459	262,549	444,148	656,229
Provision for Year	13,070	8,218	9,252	19,355	49,895	73,181
Disposals				-6,216	-6,216	-9,117
At 31st December 2006	101,868	41,560	68,711	275,688	487,827	720,293
Net Book Value at 31/12/06	43,357	20,346	13,961	48,759	126,423	186,949
Currency Translation Adjustment						536
Net Book Value at 31/12/06	43,357	20,346	13,961	48,759	126,423	187,485
Net Book Value at 31/12/05	56,427	22,906	22,636	39,096	141,065	208,424

**10. DEBTORS**

<b>10. Debtors (amounts due within one year)</b>	<b>2006 £</b>	<b>2005 £</b>	<b>2006 €</b>	<b>2005 €</b>
Trade Debtors	130,011	87,569	192,806	129,383
Prepayments and accrued income	86,828	78,281	128,766	115,661
Other Debtors	12,229	23,183	18,136	34,252
<b>Total</b>	<b>229,068</b>	<b>189,033</b>	<b>339,708</b>	<b>279,296</b>

**11. CREDITORS**

<b>11.1 Creditors (amounts falling due less than one year)</b>	<b>2006 £</b>	<b>2005 £</b>	<b>2006 €</b>	<b>2005 €</b>
Trade Creditors	733,064	534,997	1,087,134	790,459
Accruals	737,110	535,880	1,093,134	791,763
Other Creditors	12,229	23,183	18,135	34,252
Corporation Tax	10,638	3,878	15,776	5,730
<b>Total</b>	<b>1,493,041</b>	<b>1,097,938</b>	<b>2,214,179</b>	<b>1,622,204</b>

<b>11.2 Creditors (amounts falling due in more than one year)</b>	<b>2006 £</b>	<b>2005 £</b>	<b>2006 €</b>	<b>2005 €</b>
Trade Creditors	-	-	-	-

**12. PROVISIONS**

<b>Provisions (amounts falling due less than one year)</b>	<b>2006 £</b>	<b>Re-stated 2005 £</b>	<b>2006 €</b>	<b>Re-stated 2005 €</b>
Opening Balance	894,644	-	1,326,757	-
Provided in the Year	1,622,533	894,644	2,406,216	1,326,757
Provisions not required written back				
Provisions Utilised in the Year	-840,762	-	-1,246,850	-
<b>Closing balance</b>	<b>1,676,415</b>	<b>894,644</b>	<b>2,486,123</b>	<b>1,326,757</b>

The above provision figures represent estimated amounts of grant expected to be paid out in the next 12 months re outstanding company claims under the following programmes : Equity Seedcorn, INNOVA, BioMedIreland, ExpertiseIreland, Acumen, Focus and Fusion.

**13. RESERVES**

<b>13.1 General Fund</b>	<b>2006 £</b>	<b>2005 £</b>	<b>2006 €</b>	<b>2005 €</b>
General Fund Opening Balance	508,995	240,138	752,040	339,795
Surplus/(Deficit) for the year	427,846	268,857	627,526	393,177
Difference on Foreign Exchange Translation	-	-	9,766	19,068
<b>General Fund Closing Balance</b>	<b>936,841</b>	<b>508,995</b>	<b>1,389,332</b>	<b>752,040</b>

<b>13.2 Capital Grant Reserve</b>	<b>2006 £</b>	<b>2005 £</b>	<b>2006 €</b>	<b>2005 €</b>
Opening Balance	141,065	150,339	208,424	212,730
Capital Grants Received	49,139	42,534	72,074	62,844
Less: Transfer to Income & Expenditure	-50,898	-51,808	-74,652	-75,764
Adjustment for Fixed Asset Disposal	-	-	-	-
Difference on Foreign Exchange Translation	-	-	744	8,614
<b>Capital Grants Reserve Closing Balance</b>	<b>139,306</b>	<b>141,065</b>	<b>206,590</b>	<b>208,424</b>

#### 14. NOTES TO CASH FLOW STATEMENT

<b>14.1 Reconciliation of surplus/(deficit) for the Financial Year 1 January 2006 - 31 December 2006 to net cash inflow from operating activities</b>				
	<b>2006 £</b>	<b>2005 £</b>	<b>2006 €</b>	<b>2005 €</b>
Surplus/(Deficit) for the year	427,846	268,857	627,526	393,177
<b>Adjustment for non cash transactions</b>				
Profit on Asset Disposal	-	-	-	-
Depreciation	50,898	51,808	74,652	75,764
Transfer from Capital Grant Reserve	-50,898	-51,808	-74,652	-75,764
<b>Adjustments for movements in working capital</b>				
Decrease/(Increase) in debtors	-40,035	-37,447	-60,412	-64,802
(Decrease)/increase in creditors	1,176,874	567,276	1,756,264	927,232
Difference on Foreign Exchange Translation	-	-	9,766	19,068
<b>Net cash inflow from operating activities</b>	<b>1,564,685</b>	<b>798,686</b>	<b>2,333,144</b>	<b>1,274,675</b>

<b>14.2 Reconciliation of net cash inflow to movement in net debt</b>				
	<b>2006 £</b>	<b>2005 £</b>	<b>2006 €</b>	<b>2005 €</b>
Cash at Bank and in hand at 1 January 2006	2,312,544	1,513,858	3,416,784	2,142,109
Net Cash Inflow	1,564,685	798,686	2,333,144	1,274,675
Difference on Foreign Exchange Translation	-	-	-	-
<b>Cash at Bank and in hand at 31 December 2006</b>	<b>3,877,229</b>	<b>2,312,544</b>	<b>5,749,928</b>	<b>3,416,784</b>

#### 15. CAPITAL COMMITMENTS

<b>15.1 Capital commitments at 31 December 2006 for which no provision has been made</b>	<b>£</b>
Contracted	-
Authorised but not contracted	-
<b>Total</b>	<b>-</b>
<b>15.2 Other Commitments</b>	<b>7,249,942</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.

#### 16. CONTINGENT LIABILITIES

There were no contingent liabilities as at 31 December 2006.

#### 17. RELATED PARTY TRANSACTIONS

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

(i) Transactions Involving Senior Management  
There were no transactions involving the senior management team members during the year.

(ii) Transactions Involving Board Members

a) Beneficial Interests

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

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

Board Member	Organisation	Amount Accrued 2006
Mr Feargal McCormack	FPM, Chartered Accountants	£5,875.00

## b) Non Beneficial Interests

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

Board Member	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	Microtradelreland	Supply of consultancy services.
Mr Feargal McCormack	International Centre for Local and Regional Development	Chairman

**18. OBLIGATIONS UNDER LEASES**

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

	Land & Buildings				Other			
	2006 £	2006 €	2005 £	2005 €	2006 £	2006 €	2005 £	2005 €
Operating leases Which Expire	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Within One Year	-	-	-	-	-	-	4	6
In two to five years	-	-	-	-	3	4	-	-
Over five Years	191	283	159	235	-	-	-	-
<b>TOTAL</b>	<b>191</b>	<b>283</b>	<b>159</b>	<b>235</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>6</b>

**19. LOSSES AND SPECIAL PAYMENTS**

There has been no losses or special payments.

**20. FINANCIAL INSTRUMENTS, LIQUIDITY, INTEREST RATE AND FOREIGN CURRENCY RISK.****20.1 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.

**20.2 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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