

InterTradelreland















Contents

Chairman's Introduction

	Ċ
Chief Executive Officer's Message	6
Board Members	8
Organisation Profile	16
Business Plan 2020	20
Strategy and Key Performance Indicators Performance Report Programme Area Report	
Corporate Plan 2020-2022	46
Year 1 Summary Performance Report	
Audited Accounts	48





The year 2020 was one of our busiest years to date in the midst of the global Covid-19 pandemic.

Businesses across the island faced immense uncertainty throughout 2020. The InterTradeIreland team worked hard to provide practical supports reflective of the unique challenges companies were facing. We delivered our full range of programmes whilst endeavouring to be flexible and supportive with specific Covid-19 help.

In March 2020, we responded quickly to the crisis by bringing in targeted measures to help businesses. We established two new programme supports under E-Merge and Emergency Business Solutions. Vital consultancy support from E-Merge – which allowed firms to develop their online presence - was made available to 548 companies. The feedback we received was overwhelmingly positive and InterTradeIreland was widely commended for the effective implementation of the programme.

Additionally, we were able to offer help through our Emergency Business Solutions programme. This was an initiative piloted with cross-border companies to tackle the key business challenges related to the pandemic.

By the end of 2020, InterTradeIreland had received 687 applications with 559 businesses approved for access to crucial funding needed in areas such as: cash flow, lending applications, furlough schemes, HR advice and terms of trade

To supplement these supports, we hosted two 'Health & Safety Advice for Businesses Returning to Work' webinars in July 2020 and in November 2020. Reflecting on an unprecedented year, we are encouraged by the evidence that our strategic focus and delivery of bespoke programmes had a significant impact on micro enterprises and SMEs across Ireland and Northern Ireland.

InterTradeIreland experienced another exceptional year for the period covered by this report exceeding key business plan targets. Our activities were closely aligned to our vision of empowering SMEs and micro enterprises to trade successfully.

Business development through InterTradeIreland's trade and innovation programmes generated more than £90.1million / €100.1million in 2020, directly helping over 3,300 businesses and supported the creation and protection of over 1,600 jobs. Significantly we exceeded our targets for first time exporters and the number of companies engaged in cross-border business. This was an encouraging sign as we helped more businesses secure more cross-border and export opportunities, boosting business recovery.

Our impact is further evidenced as cross-border trade in goods and services reached an all-time high of over \$7.13billion /€8.08billion

We are appreciative of the ongoing collaboration and partnerships which have enabled InterTradeIreland to continue to positively impact cross-border trade and innovation

The levels of co-operation since InterTradeIreland was founded through the British-Irish Agreement Act in 1999 means our primary focus remains on mutually beneficial opportunities, and how to overcome economic challenges as we work in partnership with businesses, governments and North South bodies.

The emphasis on collaboration is more important now than ever and through our focus on the all-island trade market, we can continue to develop and provide economic opportunities for businesses on both sides of the border. Throughout 2020, the impact of Brexit remained a key concern for companies. Following on from 2019 InterTradeIreland remained committed to helping businesses prepare for change.

With ongoing uncertainty surrounding new processes and regulations we act as a constant support for companies helping them examine where their risks are and how to respond. Introduced in 2017, our Brexit Advisory service has remained a powerful resource for companies allowing them to identify exposure and plan for the future. As the post-Brexit impact unfolds, companies will continue trading across the border and we will continue working with these businesses to grow cross-border trade.

Whilst we proudly reflect on another successful year, InterTradeIreland remains focused on the future and moving 'forward, together'. We are committed more than ever to helping small and micro businesses tackle the ongoing difficulties. Our 2020-2022 mission continues to look at developing this all-island ecosystem further while identifying cross-border opportunities that can deliver for businesses helping them to survive and thrive.

Our research work demonstrates that companies engaging in cross-border trade tend to be more productive, innovative and resilient. InterTradeIreland will help businesses develop these capabilities further through our innovation and trade programmes. In particular, our research shows significant potential in the areas of Industry 4.0, the low carbon economy and through facilitating connections between clusters of likeminded companies and partners to improve innovation.

On behalf of the Board, I commend the dedicated work of the InterTradeIreland team for their ongoing commitment to the successful delivery of our business plan and programmes. The leadership of the Designated Officer and the Senior Leadership Team has been inspiring during uncertain times and we thank them for their ongoing contributions. I would also like to extend my appreciation to my fellow Board members whose support has been invaluable throughout an uncertain year. I welcome those members who joined during 2020 as well as thanking those board members whose terms finished during the year. I would in particular like to acknowledge the contribution of James Spratt who sadly passed away in early 2021.

Throughout the year we continued to build on our partnerships with Enterprise Ireland, Invest NI, the Local Enterprise Offices, Enterprise NI members, Northern Ireland local councils and many other business organisations as we supported our clients. We thank all of them for their co-operation and look forward to forging even stronger working relationships in the coming years.

We look forward to continuing to promote the huge opportunities available from cross-border trade and economic co-operation.





Margaret Hearty

Chief Executive

Officer

During 2020 InterTradeIreland's main focus was on using its resources and remit to support businesses through the pandemic and against the continued uncertainty of Brexit. As an abundance of firms went into survival mode, the importance of cross-border trade and collaboration across the island of Ireland was more evident than ever before.

It became clear very early on of the imminent need for supportive measures to be made available to business. In March 2020, InterTradeIreland introduced two new Covid-19 supports to help firms address the key challenges related to the pandemic. The E-Merge programme - which provides companies with £2,500/€2,800 fully funded consultancy support to develop their online sales – was crucial in helping businesses continue trading as lockdown measures were implemented. Our second initiative 'Emergency Business Solutions' offered Covid-19 related professional advice to the value of £2,000/€2,250. Together, the programme supports were availed of by over 1000 companies during 2020.

This year Brexit remained one of the most pressing issues for cross-border traders. Building on the range of successful initiatives delivered by our Brexit Advisory Service, we were able to provide ongoing support to businesses preparing for the new trade deal. With the creation of our new digital hub, the Brexit 2020 website allowed us to provide more knowledge to firms than ever before - dedicated to specific advice on supply chain, customs and people. By the end of the year this page had received over 120,000 website hits. Additionally, InterTradeIreland's dedicated team continued to offer information and support – including funding to help SMEs develop a bespoke Brexit plan.

During 2020, a total of 889 Brexit support voucher applications were granted approval, a very positive figure given the need for businesses to 'plan ahead, and act now' to mitigate risk. Brexit voucher support was provided in areas such as supply chain mapping, customs, finance, people, GDPR, regulation & general Brexit risk mitigation.

Alongside Brexit support services, InterTradeIreland continues to deliver on its core trade and innovation pillars. 2020 has seen a great performance for the organisation as we helped companies deliver a total business development value of £90.1million / €100.1million through our various trade and innovation streams with a total jobs impact of 1,626.

Historically, research has shown that exporting firms are proven to be more innovative, more productive and more resilient than their non-exporting counterparts. As an evidence based and research driven organisation, we know that cross-border markets play a valuable role in fostering a broader export development strategy. In the midst of the Covid-19 crisis it was shown that businesses trading across the border were faring much better than their non-exporting counterparts. Just under a third (31%) of cross-border traders reported growth, whilst half said they are profitable. Helping firms navigate the 'new normal' and use cross-border trade as a means to support business recovery has been a key priority for InterTradeIreland in 2020.

Reflecting on some of the key achievements, our flagship Acumen programme which supports SMEs to deliver cross-border business had another successful year, with 111 companies approved to commence sales projects. We were keen not to let restrictive measures affect our projects and we are happy to report that we were able to move Acumen to remote delivery, much to the delight of many companies involved. During 2020, firms that had previously completed Acumen projects reported a business value of £22m/€24.4m and a job impact of 690.

Despite a challenging year Innovation Boost (previously known as FUSION), our flagship technology transfer programme, continued to support businesses to innovate and respond to the crisis. As a result of the pandemic a number of assignments were temporarily put on hold, but after two months, activity returned to forecasted levels with a strong pipeline, as companies see innovation as a response to the uncertainties of the pandemic and Brexit.

In 2020 companies that had previously completed FUSION projects reported a business value of £23.3m/€25.9m and a job impact of 414.

As we look to the future we remain committed to playing our role in the economic recovery. We are committed to helping firms move forward and to bringing in further supportive measures to assist with growth and recovery. Our research shows that the interconnectedness of cross-border supply chains continues to grow and we will help businesses to navigate the new trading arrangements and any value partnerships or collaborations they can avail of.

I would like to thank the staff of InterTradeIreland, our Board and all of our partners for a successful and unforgettable year. It has not been an easy year for many and we appreciate more than ever the commitment to delivering the ongoing growth and nurturing of cross-border trade and collaboration.

6>



Board Members



The appointment of Adrienne McGuinness and Florence Bayliss was formally approved by the NSMC on 11 March 2020. Three Board members' terms expired on 12 December 2020 – Paul Greenfield, Ann Rudden and James Spratt.

The NSMC meeting on 25 November 2020 approved the appointment of three new Board members: Martin McVicar (Vice-Chair), Michael Hanley and Richard Kennedy.

The NSMC also confirmed the re-appointment of three board members who were due to complete their terms of office in December 2020: Micheál Briody, Florence Bayliss and Adrienne McGuinness.

The appointment of a further four board members was approved by the NSMC on 16 December 2020 resulting in a full complement of twelve Board members. The new board members appointed on this date were Dr Conor Patterson, Kim Ashton, Cllr Pete Byrne and David Simpson.



Ken Nelson MBE

Chair

Ken Nelson has extensive involvement in economic development, business start-up and growth as chief executive of Local Economic Development Company (LEDCOM) Ltd. Ken has over 29 years' experience working as a business advisor, mentor and trainer with entrepreneurs, start-up companies, small businesses and social enterprises. He has wide ranging experience in designing and delivering support initiatives for economic development, business incubation, managed workspace development, social entrepreneurship and small business growth.

Ken was one of the founding directors and former Chairman of Enterprise Northern Ireland, the association of NI's local enterprise centres. In 2010 he was the sole Northern Ireland recipient of the Queen's Award for Enterprise Promotion. Brought up on a farm and married with six children, Ken began his career in the textile industry working in production management and product management.

Ken is a voluntary member of the board of directors of two social enterprises. He has a BA in Business Studies, MBA and MSc in Human Resource Management as well as being a Chartered Manager (CMgr) and Fellow of the Chartered Management Institute (FCMI). He is also a member of the Board of Governors of Stranmillis University College. Ken is a regular speaker at economic development and entrepreneurship conferences locally, nationally and internationally, as well as writing an occasional column on business issues for local media. In April 2012, he was appointed to the Board of Invest Northern Ireland by the Northern Ireland Minister for the Economy. He was reappointed to the Board of Invest NI in April 2015 until his term finished in March 2020. In December 2016, he was appointed Chairman of InterTradeIreland by the North South Ministerial Council and in 2018 was awarded an MBE in the New Year's Honours List.



Martin McVicar Vice-Chair

Martin McVicar is the CEO and co-founder of Combilift Ltd, a manufacturer of materials handling solutions, with its global HQ based in County Monaghan, Ireland. Starting with just a handful of employees in 1998 when Martin established Combilift with Technical Director Robert Moffett, the workforce now numbers around 650 and the company exports to more than 85 countries.

Combilift's unparalleled growth and success in the handling sector is down to the drive, energy and innovation that underpins the company's and Martin's philosophy. Continual investment of 7% of turnover in research and development has enabled Combilift to become the fastest growing global forklift manufacturer, and to always be one step ahead when it comes to designing and supplying safer, space saving, productive and more cost-effective ways to lift and store long and awkward products, palletised loads, containers and oversized goods.

Martin's career in engineering began when he was a teenager and his skill and insight over the years in identifying exactly what customers need from handling equipment has resulted in the customised approach to the company's range of products, over 60,000 of which are now in operation.

Martin has a strong commitment to the education and training of future engineers and together with the Monaghan Institute he initiated the OEM in Engineering Traineeship. Combillift was also recently the winner of the Apprenticeship Employer of the Year 2020 award. This is just one of the many prestigious industry awards that Combilift has won for its products, management and exports since Martin was named the Ernst & Young Entrepreneur of the Year in 2001, when he was just 29.



Micheál Briody

Micheál Briody is the Managing Director of Silver Hill Duck, the internationally renowned producers of the best duck in the world from Emyvale, County Monaghan. Micheál joined Silver Hill in 2011 and has been the driving force behind the unprecedented growth Silver Hill has witnessed in the intervening 10 years. He has led the company as they have doubled their size and expanded the business into Asia. He is leading the company into a similar vein of growth for the next decade with further expansion plans to build capacity to match the Asian demand.

Micheál hails from Oldcastle, Co. Meath and has worked in various financial and management roles over the last 20 years. Micheál has owned and managed a number of businesses during this time, and continues to stay involved with other businesses outside of the Food Industry.

Micheál is a strategically focused individual with strong competencies in people management and strategy execution. He is FCMA qualified and also a graduate of Stanford University's Strategic Leadership Program. Micheál is a Board member of InterTradeIreland since 2016.





Tim Cairns

Tim Cairns is Director of Policy and Nations at the Community
Transport Association UK. Having served as a Special Adviser in the
office of the First Minister and at the Department of Enterprise, Trade
and Investment, Tim's background is in policy and public affairs.

Tim also served as Director of Policy for the Democratic Unionist Party and has worked in the voluntary sector, both in Northern Ireland and Canada, for over 15 years. A non-practising barrister, Tim has been widely engaged in development, implementation and advocacy, across a range of diverse policy areas.



Cllr Paul Greenfield (Term expired 12 December 2020)

Paul Greenfield was elected to Armagh City, Banbridge and Craigavon Borough Council in May 2014. He has served as Deputy Lord Mayor as well as Chair of the Economic Development and Regeneration Committee. Paul has over 20 years' experience working in the retail motor industry in some of Northern Ireland's leading dealerships. Paul has enjoyed numerous successes throughout his career including a Customer Quality award, ranking top in the UK.

He is Vice Chairman of his local DUP branch and Co-Chair of the Peace IV Partnership Board and is on the Board of Governors of Scarva PS. Paul is married, with three young children and lives in Waringstown.



Ann Rudden
(Term expired 12 December 2020)

Ann Rudden runs one of Ireland's leading artisan chocolate companies, Áine Hand Made Chocolate. Ann completed a course in bakery and management in the Dublin Institute of Technology in Kevin Street, which led to landing her first full-time job with the Irish Chocolate Company, now known as Butlers Chocolates and then Lily O'Brien's.

In 1999 Ann started developing her own range of chocolate products. Based in the village of Stradone, her business grew from strength to strength and won numerous awards including 25 Great Taste Awards, two IQ awards and recommendations from leading food critics such as John and Sally McKenna and food guru Rick Stein.

The company now produce a range of bars and gift boxes and has markets in Ireland, UK, Malaysia, France and Dubai, supplying a host of independent retailers such as Avoca, Kilkenny Shop, Morton's and Fallon and Byrne. In addition, she also ships to a number of fine food retail outlets in the UK, Dubai, Russia and Malaysia.

Ann Rudden is a member of the Cavan Economic advisory forum at Cavan council.



James Spratt

(Term expired 12 December 2020)

James Spratt worked all his life in the public sector including serving on Castlereagh Council from 2005 to 2013 with roles on many committees and bodies.

James was a member of the NI Assembly from 2007 to 2015. He was Chairman of the Standard and Privileges Committee 2014–2015, Chairman of the Regional Development Committee 2011 to 2014 and Chairman of the Assembly Executive Review Committee 2008-2011. He also served on the Committee of First & Deputy First Minister from 2007-2015

James was a Member of the NI Policing Board 2008-2011 as well as serving as Chairman of the Human Resources Committee during that period.

James served as a member of the InterTradeIreland Board from December 2015 to December 2020 before his death in March 2021.

10>





Florence Bayliss (Appointed 11 March 2020)

Florence Bayliss has worked in the Financial Services sector for most of her working life. She began her banking career in Ulster Bank Retail before moving to NatWest Operations and later to Project Management, where as Senior Manager she played a leading role in the successful implementation of a number of high value projects for NatWest UK.

In more recent years and up until 2019, Florence was employed as CEO of Ballyconnell Credit Union, a cross-border business providing financial services to individuals and SMEs and a business which grew significantly during her tenure, with assets increasing from seven to thirty eight million euro.

Florence has served in a voluntary capacity on a number of local Boards and committees. She currently serves as a director and committee member on a regional Board of Money Advice & Budgeting Services (MABS) and is a member and treasurer of a local school Board of Management.



Adrienne McGuinness (Appointed 11 March 2020)

Adrienne McGuinness co-founded and manages The Nest Box Egg Company, one of Ireland's largest egg packing and processing operations. Based in Castleblayney, the company grades, pasteurises and boils in excess of four million eggs per week, supplying leading retailers, food manufacturers and food service companies in Ireland, the UK and the Middle East.

Growing up on her parents' poultry farm, Adrienne is passionate about the egg industry and proud to represent, support and promote the many Irish family farms that supply Nest Box with eggs. Her family egg production company Rockfort Eggs has been in business since the mid-sixties and is one of the longest surviving egg companies on the island of Ireland.

Active in her rural community and an advocate for early learning and equal opportunities she is proud to be associated with Art Mooney Community Childcare Ltd where she holds a non-executive director position



Richard Kennedy

(Appointed 13 December 2020)

Richard Kennedy is Chief Executive of agri-tech company Devenish. Richard began his commercial life growing up on the family-owned Livestock Mart in Aclare. He went on to secure a B.Agri.Sc from University College Dublin and establish his knowledge as a specialist Pig Nutritionist.

Having held several senior roles within Devenish, he has driven a forward-thinking vision and attitude throughout the business. Richard's passion for farming and food is at the core of Devenish's One Health, From Soil to Society strategy. This sees Devenish focus on developing innovative solutions for meat, milk and egg producers with the aim of enabling them to produce safe, nutritious food that improves the health of the consumer.

Driving this strategy has seen the business transform from a trading company focused on the Northern Ireland market to an international Research, Development and Innovation business trading in over 50 countries.



Michael Hanley

(Appointed 25 November 2020)

Michael Hanley is Group CEO of Lakeland Dairies. A highly experienced dairy industry figure, he previously held various senior management positions with Lakeland Dairies since its formation in 1990, including deputy chief executive, general manager of Northern Ireland operations, general manager of dairy operations and manager of member relations. He is originally from a farming background and is an Agricultural Science graduate of University College Dublin. He is also Chairman of County Cavan Enterprise Fund. Lakeland Dairies is a farmer owned dairy co-operative processing 2bn litres of milk annually into a wide range of dairy foodservice, food ingredients and consumer products for export to 80 countries globally. The co-operative has eight dairy processing centres and collects milk from 3,200 family farms across 16 counties on a cross border basis

12>





Dr Conor Patterson(Appointed 16 December 2020)

Dr Conor Patterson is the CEO of Newry and Mourne Co-operative and Enterprise Agency. He is also a director and past president of Newry Chamber of Commerce and Trade, a member of the Maze Long Kesh Development Corporation, a director and former Chairman of Enterprise Northern Ireland, the company secretary of Binnian Developments, the company secretary of Oriel Developments Ltd and a co-opted advisor to the Board of the Newry Confederation of Community Groups.

Conor manages four Business Parks in Newry, South Armagh and South Down which host 130 businesses together employing 800 people. He has extensive experience of delivering central and local government and EU-funded economic and business development programmes. Between 2001 and 2021 his team assisted 2,830 business start-ups and co-ordinated the provision of support to 1,400 growth companies.

At international level, Conor has been involved in the development of enterprise initiatives across the European Union as well as in Kosovo and Egypt. He has also co-ordinated several trade missions to the USA and Canada and has spoken on 'innovation in business' at a number of international conferences.



Cllr Pete Byrne
(Appointed 16 December 2020)

Pete Byrne is the company director of Byrne Monumental Works Ltd, a family-run memorial business established in 1946 and based in Crossmaglen, South Armagh. Through his business he has well established import links with India and China for granite products and operates cross-border on the island.

Pete has a BSc (Hons) in Mathematics and continues to deliver private tuition to schools and students, with over a decade's experience.

He currently serves as a local Councillor for Slieve Gullion DEA on Newry, Mourne and Down District Council where he sits on the political advisory group for the Belfast-Dublin Economic Corridor and the Belfast City Deal Panel.

Pete is involved in several voluntary community roles, working with young people, and tackling rural inequalities.



Kim Ashton
(Appointed 16 December 2020)

Kim Ashton is an Office Manager for one of the largest wholesalers of animal health and equipment in the UK and Ireland.

Kim has served as a local Councillor on Dungannon and South Tyrone Borough Council and currently serves on Mid Ulster District Council. Kim has previously held the position of Chair of the Council and serves on the Policy and Audit Committees of the Council.



David Simpson(Appointed 16 December 2020)

David Simpson was the Member of Parliament (MP) for Upper Bann from 2005 to 2019. He had previously been a Member of the Northern Ireland Assembly (MLA) for Upper Bann, from 2003 to 2010.

David was a member of the Parliamentary Joint Committee on Statutory Instruments, the Commons Select Committee on Statutory Instruments (2005–2009) and the Transport Select Committee (2007–2008). He joined the Northern Ireland Affairs Committee in 2008. He has been DUP Spokesperson on Trade and Industry (2005–2007), Transport (2007–2009), International Development (2007–2010), Education (2007-2010), Business, Innovation and Skills (2009-2017), Communities and Local Government (2010-2015) and Business, Energy and Industrial Strategy (2017-2019).

41



Organisation Profile Senior Leadership Team



MARGARET HEARTY

Chief Executive Officer

Margaret was appointed Chief Executive Officer of InterTradeIreland during 2021. Margaret has worked with the organisation since its inception in a number of key roles.

Margaret has over 20 years' experience working with entrepreneurs, small & medium sized enterprises and start-up businesses. She has extensive experience designing innovative solutions and supports for business. Margaret is passionate about helping and supporting businesses to grow and develop through InterTradeIreland's supports. Margaret is a business and marketing graduate and has an MBA.



MARTIN AGNEW
Corporate Services Director

Martin joined InterTradelreland in 2013 and was appointed Corporate Services Director in April 2018. Martin leads the Corporate Services team to support and promote InterTradelreland's wide range of business supports for small businesses across the island.

Martin is a Fellow of Chartered Accountants Ireland and is a graduate of the University of Ulster and Queens University, Belfast. His previous employments included financial management roles within an advertising company and a large accountancy practice.



KERRY CURRAN
Acting Director, Strategy and Policy

Kerry is the Acting Director for Strategy and Policy, leading the Body's strategy, research, collaborative partnerships, policy and trade data functions. She represents the agency at policy fora in Ireland and Northern Ireland. Kerry was previously the Policy Research Manager at InterTradeIreland and managed the Body's EU Exit research programme. She has more than twenty years' experience of working in strategic corporate affairs and policy research roles and prior to joining InterTradeIreland worked for Queen's University Belfast, The Environment Agency (GB) and Renewable LIK

Kerry has a Masters in Economics and a Master in Business Administration and more than 5 years of Charity Board experience.



ALAN MORROW

Acting Director of Programmes & Business Services

Alan is responsible for assisting in the development and delivery of InterTradeIreland's suite of programmes and business services. Alan is an engineering graduate and a Chartered Manager and has been with InterTradeIreland since 2009 working primarily on the Innovation programmes. Alan has extensive experience in the private sector. He has managed factories and production units in the textile and chemical industries. Alan has also delivered and managed graduate development and training programmes and has worked as a Business Support manager in IT and Consultancy.



Directorates

Operations Directorate

The Operations Directorate is responsible for the development and delivery of InterTradeIreland's business supports including Innovation supports, Cross-Border Trade/Export supports, Public Tendering supports, Funding for Growth supports, the Brexit Advisory Service and most recently Covid-19 supports.

The Directorate also establishes and develops business networks to help companies pool their knowledge and resources, share costs and risks and achieve competitive advantage faster, cheaper and with less disruption to their operations.

Strategy and Policy Directorate

The Strategy and Policy Directorate is responsible for the definition of the organisation's strategic plans and its programme policies.

In addition, it develops InterTradeIreland's role as a collaborative catalyst delivering new cross-border opportunities primarily but not exclusively based on cooperative cross-border or all-island partnerships in the area of science, technology and innovation. It is also responsible for InterTradeIreland's international collaborative initiatives such as the US-Ireland R&D Partnership and Horizon 2020 support programmes.

The team delivers expertise in the areas of Strategy and Policy Development; Economic Development Programmes; Science, Technology and Innovation; Business & Economic Research; Programme Appraisal and Evaluation and Business Planning and Performance Management.

The Directorate manages close working relationships with external business and policy organisations and with the other economic development agencies on the island.

Corporate Services Directorate

The Corporate Services Directorate consistently adds value to InterTradeIreland through building and maintaining the confidence and support of key internal and external stakeholders. It develops and implements key strategies around communications, information technology and financial and human resource management in support of the Body's business objectives and unique standing as an Implementation Body.





Business Plan 2020 Strategy and Key Performance Indicators

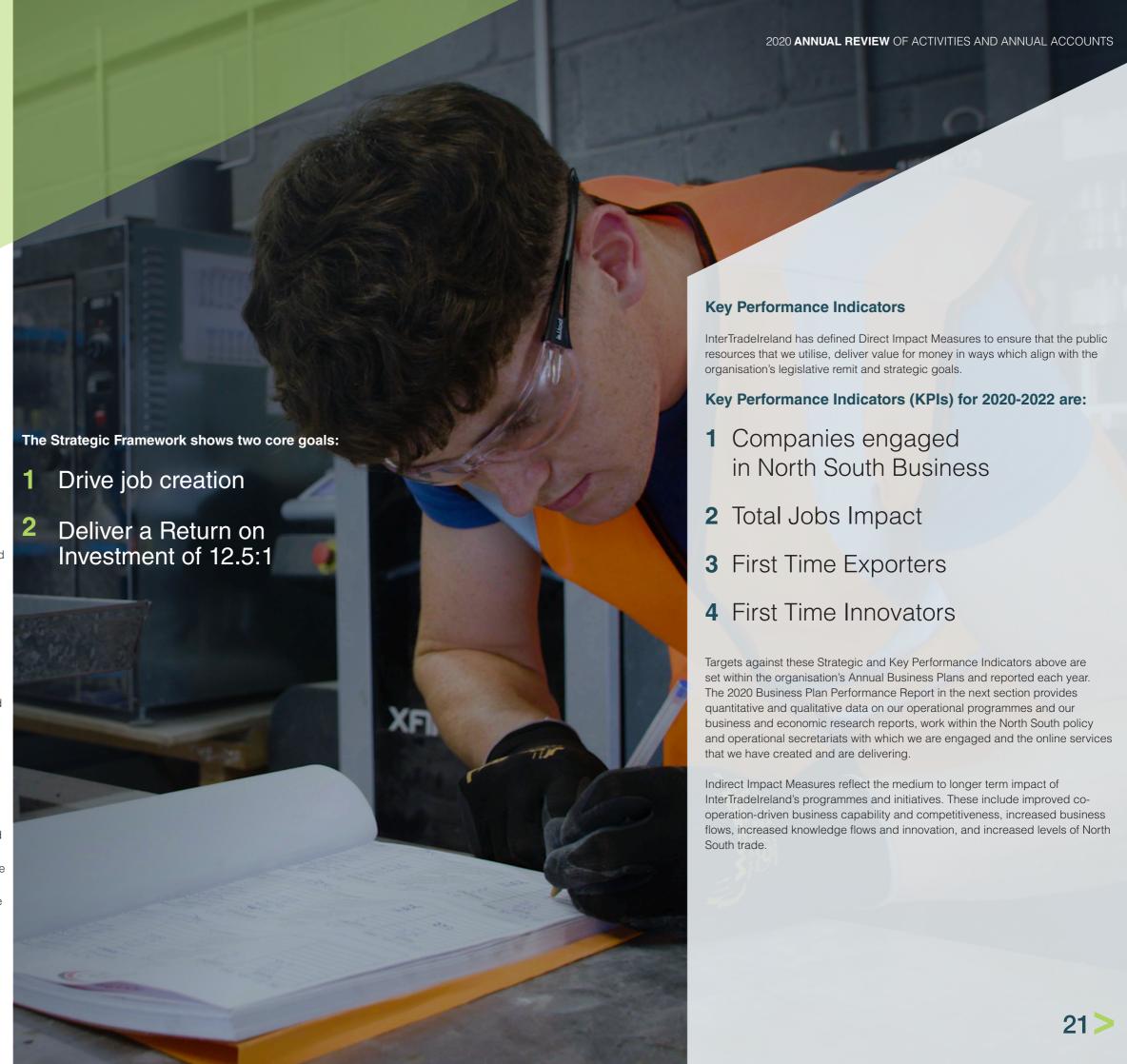
Vision, Mission and Strategic Goals

InterTradeIreland's Vision is to create a connected ecosystem in which Ireland and Northern Ireland co-operate to ensure businesses are making full use of cross-border opportunities to drive competitiveness, growth and jobs.

Our Mission is to support businesses, through our innovation and trade initiatives, to take advantage of North South co-operative opportunities to improve capability and connectivity with vital resource providers, driving competitiveness, jobs and growth.

The approach of InterTradeIreland is to identify and realise co-operative opportunities that will enable trade and business development and have a key impact on job creation, business and economic performance in Northern Ireland and Ireland; identify and help eliminate the barriers to cross-border trade and business development, both general and sectoral, by bringing these where appropriate to government policy makers, and/or pioneering relevant, flexible and responsive programmes and services.

We have developed a strategic framework built on the basic principle embodied in our Vision; that there are mutual benefits in co-operating to optimise the island's economic resources, and that the critical impediment to the achievement of these benefits remains the imperfect flow of relevant information and knowledge across the border. The framework identifies priority areas of activity within a broad competitiveness agenda and captures the importance of impact over outputs.

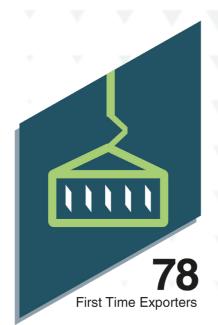


InterTradelreland

Key Performance Figures











Performance Report

InterTradeIreland Business Plan Targets 2020

Strategic Performance Indicator 1 [Total Business Value Achieved]

Target: £84m/€93m total value of reported trade and business development activity generated by firms engaged with our co-operative North South Trade and Innovation programmes.

Strategic Performance Indicator 1 [Impact of Expenditure]

Target: 12.5:1 the ratio of Business Value generated by InterTradeIreland programmes against the cost of delivering those programmes.

Key Performance Indicator 1 [Companies engaged in North South Business]

Target: 3,000 companies engaged in developing their North South business capabilities through the utilisation of our business information and advice services and through participation on our Trade and Innovation programmes.

Key Performance Indicator 2 [Total Jobs Impact]

Target: 1,500 new jobs created plus existing jobs protected as a direct result of participation on an InterTradeIreland programme.

Key Performance Indicator 3 [First Time Exporters]

Target: 67 companies to become first time exporters through participation on an InterTradelreland programme.

Key Performance Indicator 4 [First Time Innovators]

Target: 67 companies to become first time innovators through participation on an InterTradeIreland programme.

Performance Review

InterTradeIreland's (ITI) performance against 2020 Business Plan Targets is shown in Table 1 below, together with summary highlights from Trade, Innovation and Business Research and Policy Development Activities.

Balances Scorecard Reference	Measure	2020 Target	2020 Achieved	
Stakeholder Value Contribute to Sponsor Department economic policy objectives in Ireland and Northern Ireland.	Impact of Expenditure1 First Time Innovators First Time Exporters Total Jobs Impact	12.5:1 67 67 1,500	11.3:1 63 78 1,626	
Customer Value Increase the number of companies benefiting from North South business.	Number of companies engaged in North South business through ITI Trade and Innovation Activities & Services Total Business Value2achieved through	3,000 £84m/€93m	3,353 £90.1m/€100.1m	
business.	Total Business Value2achieved through ITI Trade and Innovation Activities & Services.	£84m/€93m	£90.1m/€100.	

1Impact of expenditure is the ratio of Business Value Generated by ITI programmes against the cost of delivering those programmes. This return on expenditure is the ratio of Business Value Generated by InterTradeIreland programmes against the cost of delivering those programmes. €1=£0.90 (2020 Business Planning Guidance from DPER (Ireland) & DoF (Northern Ireland). Targets do not include Covid-19 Supports introduced following the Covid-19 pandemic.

2Business Value is reported as an aggregation of impacts from our portfolio of programmes and incorporates Additional Revenue Generated, Efficiency Savings and Investments made as a direct result of a company's participation on an ITI programme. Business Value is captured through ITI monitoring activities and independent evaluations and is based on business values reported directly by individual companies that have previously completed our programmes. €1=£0.90 Guidance from DPER (Ireland) & DoF (Northern Ireland).

Highlights from InterTradeIreland (ITI) Trade and Innovation

Trade

Activities

Acumen

Acumen is InterTradeIreland's flagship trade programme which supports SMEs to develop cross-border business. Participant SMEs can access funding for either part-time or full-time sales salary support for new sales and marketing staff engaged in cross-border trade development.

During 2020, a total of 120 companies applied to the programme resulting in 111 approvals to commence sales projects. Of these 111 approvals, 99 SMEs were offered support with full-time salary support, and 12 SMEs offered support with part-time salary support. A total of 105 appointees started with approved SMEs and 70 Acumen projects were completed during the period.

In 2020 Acumen moved to remote delivery and this received very positive feedback from companies. Services were adapted in line with business needs including the delivery of webinars and providing greater flexibility to participants on the programme. This included faster payments, suspending projects as required whilst businesses are temporarily closed and staff are on furlough/wage subsidy supports. During the year over 50 Acumen projects were temporarily paused due to the pandemic lockdowns but by the end of December 2020 only 12 projects were on hold.

Webinars were delivered in June and November with invitations extended to all live Acumen participants. Demand and attendance for all titles was high, the webinars focused on: Rebuilding the sales pipeline; Selling online; Using Zoom to sell remotely and Building resilience in Sales.

During 2020 companies that had previously completed Acumen projects reported a business value of £22m/€24.4m and a jobs impact of 690.

Elevate

Elevate is a programme focused on helping micro enterprises to take the first steps in exporting and exploring opportunities in a new cross-border market. The programme also supports businesses to look at key areas such as competitor analysis, pricing and specific market opportunities.

During 2020 the programme supported 43 Elevate projects. A new phase of the programme is being rolled out in 2021, following departmental approval. This will see a substantial increase in project numbers and a strong digitalisation focus. The programme will continue via remote delivery with over 110 consultants providing online sales prospecting and virtual meetings to participants.

During 2020 companies that had previously completed Elevate projects reported a business value of £2.1m/€2.3m and a jobs impact of 198.





Trade Accelerator Voucher (TAV)

The TAV programme provides businesses with financial assistance of up to £1,000/€1,200 towards obtaining professional advice in relation to cross-border issues such as sales and marketing. This provides support to businesses at a relatively early stage, helping them to explore if there is a viable market opportunity for their business in the cross-border market

Tendering

Go-2-Tender provides businesses with the confidence, knowledge and skills to tender successfully for public sector contracts. The Public Procurement market on the island is worth c.£12.5bn/€14.7bn annually and provides a very important business opportunity for SMEs.

During the second half of 2020 the programme continued to digitally deliver workshops and mentoring. Workshops were reduced in length to make best use of online delivery and learning methodologies, whilst mentoring was delivered with a more flexible approach with participant companies being able to use this resource over a longer period. During the year InterTradeIreland delivered 17 workshops attended by a total of 389 participants. This included Covid-19 related seminars and construction specific workshops in partnership with the Construction Industry Training Board and the Construction Industry Federation.

The Supplier Engagement/Meet the Buyer events programme was negatively impacted by the Covid-19 pandemic with all large scale events being cancelled. During 2020 companies that had previously attended Go-2-Tender workshops reported a business value of £30.4m/€33.8m and a jobs impact of 382.

Brexit

The Brexit Advisory Service established as a pilot in May 2017, launched its £6.2m three-year programme in 2019 to provide a focal point for SMEs working to navigate the changes in cross-border trading relationships brought about by Brexit negotiations and include a range of tailored supports to help keep businesses one step ahead on the journey. This support is delivered primarily via the channels of voucher support and digital content.

During 2020, a total of 977 voucher applications were received which resulted in 889 approvals. Voucher support was provided in areas such as supply chain mapping, customs, finance, people, GDPR, regulation & general Brexit risk mitigation. Digital content support was enhanced in 2020 through providing information on Trade in Goods, Trade in Services and People. Engagement with this support stands at 8,419 users since the website launched in March 2019 including over 6,000 new users in 2020. By the end of 2020 the website had received over 120,000 website hits.

In partnership with Local Enterprise Offices, Chambers of Commerce, Councils, Enterprise Ireland, Invest NI, Plato, Industry bodies, Enterprise Centres, DAERA, BEIS, IOD, FSB and working closely with DfE and the DETE Brexit unit a total of 40 presentations were delivered North South during 2020. These included nine InterTradeIreland hosted events, two of which were hosted by Minister Simon Coveney TD in November and Minister Diane Dodds MLA in December.

Covid-19

In March InterTradeIreland responded quickly to assist businesses in the Covid-19 pandemic by establishing two new programmes E-Merge and Emergency Business Solutions.

The E-Merge programme provides £2,500/€2,800 fully funded consultancy support to help businesses that trade cross-border, or that have identified an opportunity to begin trading across the border, to develop online marketing, digital sales and eCommerce solutions. During 2020 E-Merge support was made available to 548 companies. A total of 333 companies completed their E-Merge project during 2020. Feedback on the support received and the speed of implementation has been very positive.

Emergency Business Solutions provides professional advice, to the value of £2,000/€2,250 including VAT (100% funded) and was piloted to cross-border companies in manufacturing and tradable services, to address key business challenges related to Covid-19. In May 2020 the Emergency Business Solutions (EBS) pilot was opened to the wider SME community. As at the end of 2020, 687 applications had been received with 559 approved. Companies have used the support for areas such as emergency cash flow, lending applications, furlough and HR advice, reviewing contracts, terms of trade and looking at changing production or business strategy. To supplement the supports InterTradeIreland hosted two 'Health & Safety Advice for Businesses Returning to Work' webinars in July 2020 and in November 2020 a further four webinars on the topics of 'HR advice' and 'Health & Safety advice' for employers. The attendance at these webinars was 327.





Science, Technology & Innovation

Innovation Boost

Innovation Boost, formerly known as FUSION, is InterTradeIreland's flagship technology transfer programme which provides companies with new product or process development needs, access to a three-way partnership that includes a third-level research institution with specialist expertise and a high-calibre science or technology graduate. Innovation Boost is helping companies to lead their sector and industry through new innovations. Over 80% of Innovation Boost graduates are offered jobs by their host companies and many of these continue to lead innovation projects in the business.

During 2020, the Innovation Boost team processed over 300 enquiries and InterTradeIreland approved 71 projects for support. A total of 54 graduate jobs have been created this year through projects commencing. One of the five pilot Innovation Boost business-to-business projects has now completed. These have been very much in line with InterTradeIreland's Corporate Plan as activity supported is in the areas of sensor technology, cyber security, advanced materials, and big data.

As a result of the pandemic 25 Innovation Boost projects went on a temporary hold but by September all had restarted. After some disruption over a two-month period enquiries and activity returned to forecasted levels, and there is a strong pipeline as companies see innovation as a response to the uncertainties of the pandemic and Brexit.

In 2020 companies that had previously completed Innovation Boost projects reported a business value of £23.3m/€25.9m and a jobs impact of 414.

Challenge

Aimed at MDs and CEOs of ambitious SMEs, the Challenge Programme allows business owners to transform their company's prospects by learning and applying the most effective methods of generating, marketing and launching new products and services. The aim is to provide a costeffective opportunity to embed a process which will help create, evaluate and commercialise ideas and deliver a stepchange in company performance.

The current three-year phase of Challenge is coming to an end with a total of 49 companies having accessed coaching and intensive support to embed a proven, sustainable, repeatable innovation process in their company.

In 2020 companies that had previously completed Challenge projects reported a business value of £1.9m/€2.1m and a jobs impact of 30.

Impact

In 2020 work commenced on the delivery of InterTradeIreland's new Impact programme. The business-to-business innovation programme aims to bring 'game-changer' companies together to work on projects of significance at an industry level. Impact's target areas include: SMEs in the bio-economy, advanced manufacturing and materials, and life sciences sectors particularly.

The programme will deliver long-term commercial benefits to the collaborative partners involved and create wider economic benefits both North and South. InterTradeIreland will facilitate the collaboration and provide funding in order to solve industry challenges. The maximum available grant will be £250k (at a grant rate of 50% i.e. project costs of £500k) split between companies contributing their expertise, sharing the risk and the benefits.

During the second half of 2020 activity focused on the identification of game-changer companies and potential partnerships. In total four collaborative partnerships were developed and supported through the process to submit an application for development grant funding.



Funding for Growth

The Funding for Growth programme offers a range of supports to help both start-up and established companies improve their ability to raise finance by improving their understanding of the current funding landscape and developing their investor/funding readiness.

In early March the annual InterTradeIreland Venture Capital Conference, now in its 19th year, made a return to Belfast. This year's conference theme was 'Looking forward to the 2020s' focusing on what the investment landscape might look like in the coming decade. Dr. Tara Dalton (AltraTech), Mark Dowds (Anthemis Group) and Henry Joseph Grant (Talixo) gave keynote addresses.

In mid-March 2020 the Funding for Growth team transitioned from in-person clinics, workshops and other events to an exclusively online offering. Demand for supports has been stronger than ever and the utilisation of online platforms will undoubtedly form part of the delivery post Covid-19.

During May 2020, in direct response to Covid-19 six webinars were delivered, that addressed the financial supports that have been put in place in both jurisdictions, cash-flow management & funding and planning for recovery. The feedback from the webinars has been excellent and there were over 550 attendees. Representatives from Enterprise Ireland, Invest NI, the Strategic Banking Corporation of Ireland and the British Business Bank along with legal experts and senior bankers provided invaluable contributions. Recordings of the webinars along with the presentations are a valuable resource available on InterTradeIreland's website.

In early March the last physical event held by the Funding for Growth Team was a Venture Capital Workshop in Galway. The Venture Capital Workshop was divided into two 2-hour online sessions – Seed Finance I and Seed Finance II. Six of these online sessions were held during May and June in association with DCU, UCD, Trinity College, UCL, LIT, UCC, CIT and the NDRC. A further two sessions in association with UU took place in August and with QUB in October. In total 527 companies joined at least one of the sessions which is a significant increase on the total attendance in 2019. The traditional one-day business planning workshop was broken down into five

online sessions and delivered three times during July with an average attendance at each session of 40 companies.

Phase 3 of InterTradeIreland's Funding Advisory Service for Established SMEs began in September. Instead of the planned physical workshops across the island a Trilogy of Funding Webinars were held in both Northern Ireland and Ireland, six webinars in total, from September through to December. These were entitled: Government and bank supports, Alternative Funders and bank supports, and Private Equity and other supports. A total of 185 companies attended the ROI webinars and 76 attended the NI webinars. To date four companies have availed of the opportunity for one-to-one advice with Grant Thornton.

The Halo Business Angel Network (HBAN) had a busy and successful year despite the challenging economic environment of 2020. At year end they reported 70 deals across the island, with a direct angel investment total of £8.7m/€9.7m. In March HBAN transitioned to delivering their offering virtually using the new investor platform Delio, where there are now 258 active investors and 83 deals. Online pitching sessions were very well received and it is evident that the HBAN programme can be delivered efficiently and successfully in an online environment. In addition, a new angel group, the Kerry Angel Network (KAN), was created and there was a concerted effort on angel education with a successful webinar series and the Female Angel Education initiative

The HBAN All-Island Conference 2020 took place in February in County Wicklow. The theme of the conference was Driving Value with Exits & Data. The event included Irish and international keynote speakers, panel discussions, masterclasses, company exhibitions and pitches, with attendees coming from across the island of Ireland and further afield. There were 303 attendees and the event received very positive feedback.

In January and February 2020 six regional equity advisory clinics were held in locations across both jurisdictions including Dublin, Belfast, Galway and Dundalk. A further 31 clinics were delivered via an online platform with a total of 174 companies availing of the expertise of our venture capital professional on their fundraising plans and signposting to potential funding sources.

The 2020 Seedcorn Investor Readiness Competition was launched at the Venture Capital Conference in March. Promotional workshops were delivered online with a total of 18 sessions being held during April and May with over 200 companies in attendance. The competition attracted 284 registrations, with 173 submitting an application. Following assessment of the initial applications, 170 companies were invited to submit a full business plan. From these, 25 companies were invited to present at the regional finals. Six investment pitch masterclasses took place online in October to prepare companies for their regional final. The finals took place in November, all online and the winners declared. Overall winner was Nua Surgical from Galway with their solution for assisting with C-Section surgery in high body mass patients, while the best category winner was GenoME Diagnostics from Belfast with their blood testing kit for early detection of ovarian cancer. The awards ceremony was held online for the first time and this proved to be successful.

In 2020 companies who had previously been finalists in the competition over the previous five years raised £1.8m/€2m in new equity funding.

66

Seedcorn has been a tremendous journey for us, having only reached the regional final in 2019 and now being crowned the overall winner one year later is amazing. It just proved invaluable in making us more and more investor-ready.

Barry McCann, CEO NUA Surgical, Galway



Horizon 2020

InterTradeIreland is helping companies and researchers from Ireland and Northern Ireland to collaborate in Horizon 2020, the European Commission's seven year, €80 billion, Research and Innovation programme designed to boost jobs and growth across Europe. The programme aims to do this by engaging industry so scientific ideas can be turned into viable products and services.

All-island steering committee meetings were held in February, May and October 2020. The meetings included attendees from the Irish and NI H2020 national contact point network, DETE, DfE, DAERA, DAFM and the NSMC. It was noted that in 2014 both governments had set an ambitious joint drawdown target under H2020 of €175m. The H2020 results data available in October 2020 shows that to date 64.5% of this target has been achieved. It is likely that Brexit has had a big impact on the ability to achieve this target as it was not envisaged when the target was set, and there were major changes made to funding available under H2020 during the framework programme period which affected the overall figure available for drawdown. InterTradeIreland highlighted the impact of these changes at the NSMC Sectoral group meeting in November 2020.

Post the UK/EU transition period, the importance of maintaining the strong North South research and innovation connections that have been developed through collaboration on European funding opportunities cannot be over emphasised. A cross-border survey on research and development undertaken by InterTradeIreland in Q2 2020, highlighted the strong desire by both Irish and NI researchers to maintain and strengthen these links. In January 2021 it was encouraging to note that the EU/UK Trade and Cooperation Agreement outlined the terms of the UK association to Horizon Europe, the new framework programme for 2021 to 2027.

The latest Horizon 2020 data analysis of North South participation to October 2020 revealed that €108m funding had been secured by partnerships that had partners from both Ireland and Northern Ireland. A total of €39.2m or 36.3% was secured by partners from Northern Ireland and €68.8m or 63.7% from Ireland partners. The drawdown to date exceeds the total drawdown under the previous research and innovation framework programme, FP7, by almost €10m.

In 2020, InterTradeIreland facilitated and promoted a number of all-island H2020 events including: a Bio Based Industries
Joint Undertaking webinar with associated advisory clinics and matchmaking platform to connect partners in Ireland and Northern Ireland; a North South matchmaking platform to support the 2nd EU Rapid Response Covid-19 call; promotion of Enterprise Europe Network webinars on Eureka/Eurostars and an all-island Green Deal event. On the back of the Green Deal webinar and networking event, in December 2020 InterTradeIreland hosted application training workshops for six North South partnerships who were interested in submitting an application to the final call of H2020 - Green deal which closed in January 2021.

US-Ireland R&D Partnership

The US-Ireland R&D Partnership is a tri-jurisdictional alliance which was officially launched in 2006. Its aim is to promote collaborative innovative research projects which create value above and beyond individual efforts. The Partnership steering group met on 10 March 2020 in the US State Department in Washington DC and via video link from InterTradeIreland's offices.

Since the March 2020 annual meeting, seven additional projects have been approved, one in Nanotechnology, three in Centre to Centre, two in Health and one under the Energy and Sustainability priority area. Total projects approved to date are 65 representing \$126m/£89m/€106m. The number of projects funded under each priority area are 16 Nanotechnology, 14 Health, 11 Energy & Sustainability, nine Sensors, seven Centre to Centre, five Agriculture, and three Telecommunications. The portfolio continues to perform well with NIH applications achieving a success rate of 17.1%, NIFA applications 18.5% and NSF applications showing a particularly healthy success rate of 32.2%.

At the March meeting, it was commented that the US-I R&D partnership model is now used as a model for collaborations with other countries. It was noted that the updated terms of reference had been approved by all departments and an amendment to the MOU to include the new cyber security priority area had been signed by partners in December 2019. DfE in Northern Ireland has commissioned a research project which will consider how best to maximise the positive impact of its Policy, Programmes and Funding in support of International Research Collaboration, with a particular focus on the US-Ireland R&D Partnership. This will be a key consideration for the partnership moving forward - how best to measure both quantitative and qualitative impacts that will add value to the partnership in terms of promotion and wider public engagement. USDA are leading a tripartite review of the agriculture pilot which should be completed Q2 2021. Work has commenced on a second US-I R&D Partnership video case study. In relation to the newest priority area, Cyber Security, the first transatlantic collaborative webinar took place on 2 December 2020. This was the first webinar of the series of meetings to promote the new Cyber Security theme and to facilitate the formation of new collaborations.

nterTradeIreland







All Island Innovation Programme (AIIP)

The AIIP is a partnership between InterTradeIreland and four universities from across the island: University College Cork, Dublin City University, National University of Ireland Galway and Queens University Belfast. The partnership was established to promote and encourage innovation through a cross-border innovation programme consisting of a series of free masterclasses, innovation lectures and seminars on an annual basis organised by the universities.

Between 1 January 2020 to 31 December 2020, the AIIP was due to host 16 live events, two events were held prior to the outbreak of Covid-19. In April 2020 InterTradeIreland, and the university partners, took a decision to move all events online until guidance for public gatherings changed. By the end of December 2020, nine events had been held online with two events postponed to Q1 2021.

Towards the end of 2019 InterTradeIreland procured a Digital Content Service Provider to lead on the production of digital content relating to AIIP events. At the outbreak of Covid-19 InterTradeIreland negotiated with the appointed service provider (Storyburst) to alter the delivery of the contract. The revised delivery now includes Storyburst working with the university partners to create online AIIP sessions as well as creating content for InterTradeIreland's website. The series of events has been branded and promoted by InterTradeIreland as the 'Innovation & Business Resilience Webinar Series' and forms part of InterTradeIreland's Covid-19 response for SMEs.

The success of the online sessions is demonstrated in the figures for the events held in 2020. The target for total attendees for 16 events was 540–740 and the target for industry attendees was 323–435. Of 11 events held in 2020 there have been 1,373 total participants registered, of these 795 have been industry participants. In addition to registered participants, the recordings of the online sessions have been placed on each university's YouTube channel. To date the recordings have been viewed a combined 2,771 times.

The commencement of online events has led to an increase in allisland collaboration between the AIIP partners. This is evidenced in the joint webinar delivered by UCC and QUB as well as partners promoting other partners' AIIP events. In December 2020 the partners collaborated to deliver a mini all-island series of online innovation events, these were organised and delivered by each partner working together and promoted as one joint event.





Synergy

In November 2015, InterTradeIreland published a report identifying the potential for the development of all-island clusters or sectoral ecosystems. The objectives of the report were to map sectoral ecosystems on the island of Ireland and to identify opportunities to develop sectoral ecosystems that are mutually beneficial to both jurisdictions. Following the report's publication, with the support of the All-island Cluster Development Forum, InterTradeIreland produced an action plan for the achievement of the recommendations in the report. The programme of activity supported by InterTradeIreland is called Synergy and the sectors of focus are included in InterTradeIreland's Corporate Plan 2020-2022.

Life Sciences – Since January 2020, InterTradeIreland has supported a number of North South ecosystem collaboration events to promote the Synergy process. These events have included the European Connected Health Alliance's fourth Joint Ecosyst Gathering, held on 22 January 2020, attended by over 200 participants from both jurisdictions. InterTradeIreland gave a plenary presentation of its collaborative supports, as well as facilitating a workshop for attendees interested in cross-border collaborative funding opportunities.

In March 2020, InterTradeIreland supported the third BioPharma Ambition conference held in Dublin. Over 450 delegates from industry and academia attended the two-day event. The plenary keynote speaker was QUB's Associate Pro Vice Chancellor and Professor of Digital Health Mark Lawler, who presented the concept of an All-island cancer research hub to the audience and Tánaiste Simon Coveney.

Cancer Trials – InterTradeIreland has continued to facilitate renewed collaboration between the Northern Ireland Cancer Trials Network and Cancer Trials Ireland. In March 2020 three representatives from the North South cancer research networks presented suggested strategic objectives to the Director and senior leadership team of the National Cancer Institute in Bethesda, United States. Following this engagement, the three jurisdictions have been updating the expired Memorandum of Understanding for the All-island Cancer Consortium. Due to the Covid-19 pandemic, a date for the signing of the updated MOU is currently under review with ongoing communication taking place with all three jurisdictions.

InterTradeIreland's facilitation of support of the life science sectors in both Ireland and Northern Ireland has been included in policy recommendations made by Clinical Research Development Ireland to the Taoiseach's office, as well as supporting the development of a cluster policy in Northern Ireland, through its membership of the Department for the Economy's Cluster Policy Advisory Group.

Cyber Security – InterTradeIreland facilitated a mapping exercise of a sample of cyber security firms connected to the new clusters Cyber Ireland and NI Cyber to understand the ecosystem for firms on the island of Ireland. The report, which is available on the InterTradeIreland website and which was shared with relevant stakeholders, considers

the landscape for cyber security ecosystems in Ireland and Northern Ireland as well as considering the all-island context. 'Mapping the Cyber Island' seeks to shed light on the North South linkages and connections of the cyber security industry, and the potential supports required to buttress the sector as it develops towards one of importance. There are opportunities to jump start the connection of both B2B trade and focused R&D between industry and academia. As a result of the report, a number of meetings have been held with the clusters in both jurisdictions, to discuss the delivery of workshops in 2021 by the InterTradeIreland procurement team to promote public procurement cyber security opportunities.

Bioeconomy – In November 2019, the InterTradeIreland Board approved a request for funding by the Irish Bioeconomy Foundation to fund the 'All island Biomap'. The project involves mapping of various organisations across the entire island that are relevant to the bioeconomy. The main objective of the project is to promote cross-border collaboration, business development and circular bioeconomy. The data from this initial mapping will enable the shortlisting of 20 companies (10 in Ireland and 10 in Northern Ireland) that have synergies to co-develop products, scale-up of new technology and R&D. Since 2020 the project has documented 597 organizations that are relevant to the bioeconomy, the value chains of 48 companies (50:50 North South) and successfully completed the investigation of the process technology for 48 companies.

The Fintech Corridor (TFC) – Since March 2020 InterTradeIreland has been supporting a cross-border FinTech cluster (formerly known as the M1 payments Corridor). TFC is the primary cross-border cluster with a driving force in developing, collaborating, facilitating and promoting the region from Dublin to Belfast to start or expand in FinTech, and as a gateway for Fintech companies to Europe, whilst connecting EU&UK FinTech. TFC has an established membership of Brand Ambassadors, which connect and engage with a range of like-minded people in related industry. There is immense opportunity to engage with companies from start-up to multinational, and to ignite opportunities and collaborations across the island, which will ultimately benefit the region and its members.

The official launch took place in September 2020 and a further 28 new members have joined the cluster since then. Several collaborations have been developed or are in development with key industry and academic partners.



TechIreland – In January 2020 InterTradeIreland continued to support the addition of 200 innovative Northern Ireland based companies to the TechIreland platform, ensuring it remains as an all-island resource for a second year. This digital resource highlights innovation on the island of Ireland and has the functionality to track cross-border interactions between companies featured on the platform.

In response to the Covid-19 pandemic, InterTradeIreland supported TechIreland in April 2020 to create an All-island 'CovidBizMap' to promote health innovations created by the island's businesses as well as innovation funding and public procurement opportunities resulting from the Covid-19 crisis. The All-island map has promoted over 340 business innovations, which received media attention from RTE, the Irish Times and the BBC.

A new phase of the TechIreland Covid-19 platform called the 'RestartBizMap' launched in Q3 2020. InterTradeIreland worked in collaboration with Skillsnet Ireland, IBEC and TechIreland to promote this opportunity to the all-island community of businesses each agency works with. This platform tracks and connects innovative business solution providers in both jurisdictions and with businesses experiencing operational problems resulting from Covid-19.

Cocoon – Cocoon was approved by the InterTradeIreland Board in August 2019 and received an extension at the October 2020 Board. A collaboration between DKIT and SRC, Cocoon will support 10 student start-up businesses in Ireland and Northern Ireland over a nine-month period, to develop new products, processes or services in areas of science, technology & innovation, and sales and marketing. Each student start-up business will complete a specific work package, managed and informed by academic staff, industry expertise and mentors. Each business will be supported to bridge both the resource, domain knowledge and management capability gaps.

Cluster Centre – During 2020 InterTradeIreland worked in conjunction with The Cluster Centre to enhance cluster knowledge and cluster education on the island of Ireland. In September, InterTradeIreland supported the Cluster Centre to deliver an all-island webinar 'Igniting Cluster Development' followed in October and November with a four week 'Cluster Development' online programme. The webinar and course brought together over 50 participants from a range of policy makers, cluster support agencies, cluster practitioners and cluster organisations from both jurisdictions. The webinar provided an overview on cluster development and featured keynote presentations from representatives from Invest NI, Cork Institute of Technology and The Fintech Corridor cluster with input from Enterprise Ireland. The online cluster development course was delivered by internationally respected cluster expert Ifor Williams. The course explored the relevance of economic development centred on clusters and a region's economic strengths. The logic and the practicalities in supporting cluster development as a centre-stage strategy was addressed, drawing on examples from Europe, Canada and Australia.

All-Island Research Excellence Network (AIREN) – In August 2020 InterTradeIreland approved a proposal to support the establishment of an All-Island Research Excellence Network (AIREN).

AIREN will initially be a network of University Research Managers and Administrators between University College Dublin, University of Ulster and Queens University Belfast, with the long-term goal of setting up an All-Island Research Excellence Network for universities across the island of Ireland. The proposed network will be proactive and develop new ways to support existing and to build new cross-border collaborations between universities and industry in the post Brexit era and Covid-19.



Q4 2020 Business Monitor

Fully Operational

Business Position

Businesses were asked about their business position



Business Monitor

InterTradeIreland's quarterly Business Monitor Survey remains the largest and most comprehensive business survey covering business owners' views in both Northern Ireland and Ireland with interviews conducted with 750 SME owner/managers across the island. The Business Monitor has built up over 10 years of data, tracking all-island economic indicators such as sales, employment, business outlook and engagement in cross-border trade and exporting and more recently issues around Brexit.

Q2 2020 – Prior to the pandemic, 42% of firms said they were in growth mode, this dropped to 15%. The number of businesses across the island that were in decline jumped from 7% to 53%. A total of 23% of businesses say their staff levels decreased. This figure was reminiscent of the Business Monitor's results in Q4 2009, when the island was gripped by recession.

There is a digital divide between larger firms and micro SMEs that Covid-19 has exposed. 70% of firms with less than ten staff say that employees have no access to emails or company files and documents. For larger firms this drops to 37%. As regards remote working Northern Ireland is further behind Ireland, with 18% of staff working from home compared to 41% of employees in Ireland. For businesses that trade across the border, 38% of staff are working from home. For the first time, risk-assessment skills were also identified as in-demand, with 22% of companies indicating they need to increase talent in this area.

In terms of the biggest barriers to recovery, SMEs cited maintaining social distance with customers (41%) and the ability to provide service in a way that is profitable because of social distancing (34%). This was most marked in the leisure hotel and catering sector (69%) but also an issue for just under a third of professional service firms (31%). Brexit also remains a huge challenge with the number of businesses that have made plans, standing at only 14% and 30% for cross-border traders. Of those companies that have made preparations, over a third (37%) say they will now need to revise their plans in light of Covid-19.

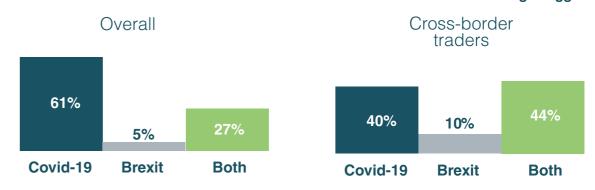
Q3 2020 shows the extent of the damage that Covid-19 continues to inflict along with the effects of Brexit, with nearly half of businesses (48%) saying they are contracting. In stark terms, only 21% of firms are in growth mode. Businesses that trade across the border are faring better than their non-exporting counterparts. Just under a third (31%) of cross-border traders are reporting growth, while half say they are profitable. For all firms surveyed, specific key concerns have emerged. The three biggest issues are reduction in demand (60%), business and consumer confidence (59%) and cash flow (52%). In particular, lack of consumer confidence is an issue that has been increasing steadily for businesses over the last quarter, as the pandemic continues to lash the economy.

Covid-19 has hit some sectors harder than others, with those in leisure and tourism impacted particularly badly. However, it seems that no sector is immune. Over half of manufacturers (65%) and professional service firms (50%) are reporting their sales have decreased. Business size has offered no shelter, with big firms just as likely to be hit hard as small firms. Against this back-drop Brexit is looming, with only 18% of firms reporting they're prepared for the end of the UK transition period.



Impact of Brexit & COVID-19

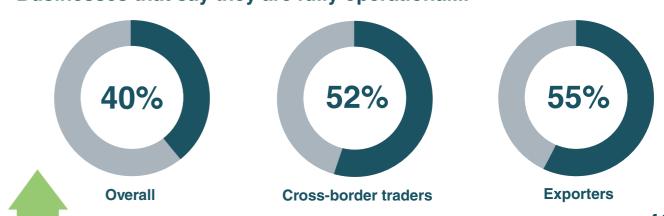
Businesses were asked whether Brexit or Covid 19 was having a bigger impact



Overall, business are more likely to cite Covid-19 alone as the main source of impact on their business

Level of Operation

Businesses were asked what level of service they were currently operating at Businesses that say they are fully operational...



42>



Sales

Businesses were asked about their sales over the past quarter

% reporting decrease in sales



Business Issues

Businesses were asked about their current business issues

Top three issues facing businesses...





Cash flow



Business and consumer confidence

Reduction in demand

Issues facing manufacturing businesses... Issues facing hospitality businesses...



64% are experiencing issues with rising overhead costs, the most of any sector







78% cite business and consumer confidence as an issue, the most out of any sector



Import & export activity

Businesses were asked whether they import or export their goods and services



A telephone survey of 758 business was conducted on an all island basis, with the aim to provide a deeper understanding of the needs, experiences and issues facing businesses. The survey was conducted between the 7th January - 10th February 2021.

Research Publications

InterTradeIreland carries out business and economic research activities to identify the opportunities and barriers affecting increased levels of trade and business development co-operation between Northern Ireland and Ireland. There were two publications in 2020:

Productivity and business dynamism across regions - The main objective was to provide insight into the performance and productivity of the regions and the extent to which entrepreneurial activity can be linked to these outcomes considering other available characteristics of the region (such as measures of local skills or human capital) and its sectoral structure.

A review of current economic issues relating to the impact of Brexit on Northern Ireland - A comprehensive assessment of the current economic issues and impacts in the light of the developments since the Withdrawal Agreement. This included a summary of the existing research on economic impacts, with a focus on impacts for cross-border activity of small and medium enterprises in particular. Assessing where risks have been mitigated by the special arrangements of the Northern Ireland Protocol and where outstanding risks and uncertainties remain is the primary focus of the report.

2020 ANNUAL REVIEW OF ACTIVITIES AND ANNUAL ACCOUNTS

Corporate Plan 2020-2022

Year 1 Summary Performance Report



This Annual Report focuses on the performance of the first year of InterTradeIreland's Corporate Plan for 2020-2022.

InterTradelreland's key strategic goals for the period 2020-2022 are:

1 To drive competitiveness, jobs and growth

2 To develop a connected ecosystem

The performance of each of our Trade and Innovation programmes is aggregated and reported against the following Key Performance Indicators defined for the period 2020-2022:

- Strategic Performance Indicator [Impact of Expenditure³ 12.5:1] Business Value generated through InterTradeIreland's North South Programmes.
- Key Performance Indicator 1 Companies engaged in North South Business
- Key Performance Indicator 2 Jobs Impact
- Key Performance Indicator 3 First Time Exporters
- Key Performance Indicator 4 First Time Innovators

Key Achievements of the 2020-2022 Corporate Plan:

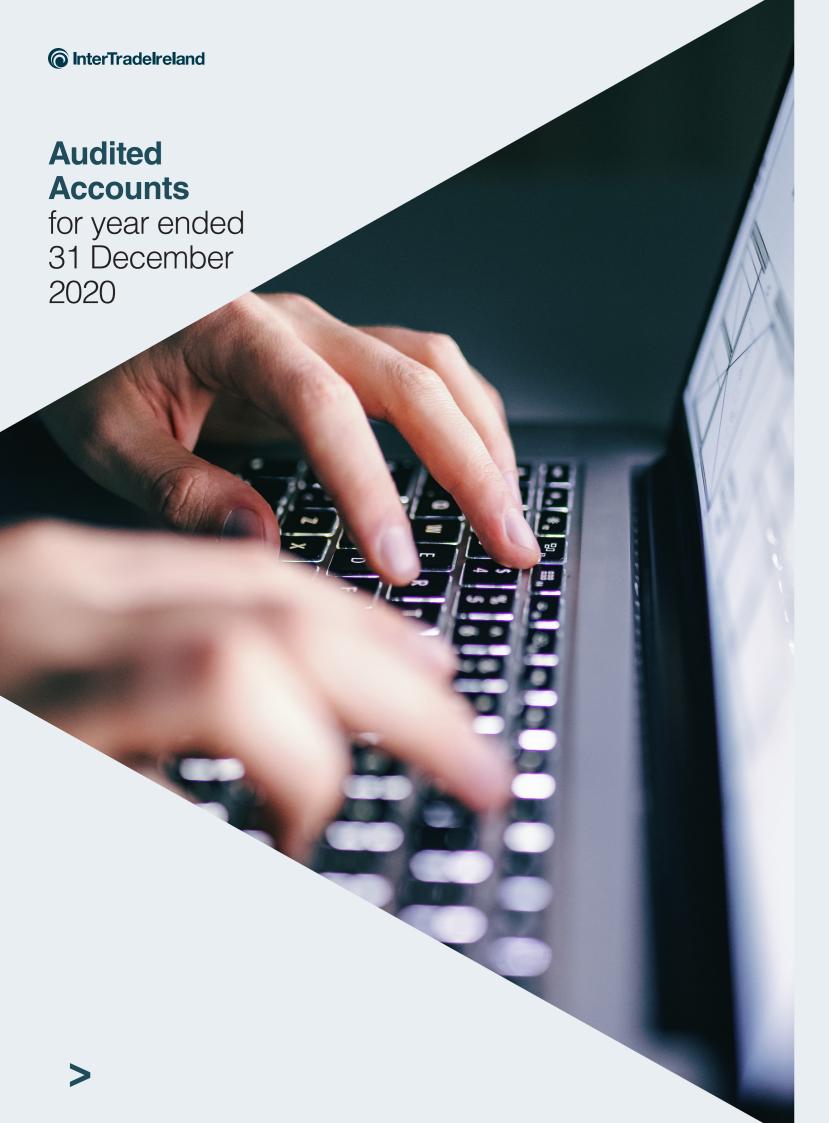
- Total Business Value Achieved⁴ [& Impact of Expenditure] £90.1m/€100.1m⁵ [11:3:1]
- 3,353 companies have engaged in developing their North South business capabilities through the utilisation of our business information and advice services and through participation on our Trade and Innovation programmes.
- Companies on our Trade and Innovation programmes have identified that 1,626 jobs have been created or protected as a result of their participation
- 78 firms are first time exporters
- 63 firms are first time innovators
- 4 Business Monitor reports have been published
- In response to the Covid-19 crisis, we introduced two new Covid-19 supports to help firms address the key challenges related to the pandemic. The E-Merge programme, which provides companies with £2,500/€2,800 fully funded consultancy support to develop their online sales, was crucial in helping businesses continue trading as lockdown measures were implemented. Our second initiative 'Emergency Business Solutions' offered Covid-19 related professional advice to the value of £2,000/€2,250. Together, the programme supports were availed of by over 1,000 companies during this period.
- We continue to support micro businesses and SMEs in the development of innovation and export capability. We have delivered a range of trade and innovation programmes that use cross-border collaborative opportunities to enhance a firm's growth prospects: Innovation programmes such as Innovation Boost, Impact, Challenge and Funding for Growth, and Sales and Marketing programmes such as Acumen, TAV, Elevate and Go-2-Tender.

- Our Brexit Service, established in 2017, is continuing to provide ongoing support to businesses preparing for the new trade deal. With the creation of our new digital hub, the Brexit 2020 website allowed us to provide more knowledge to firms than ever before, dedicated to specific advice on supply chain, customs and people. By the end of the year the website had received over 120,000 website hits. Additionally, we continued to offer funding to help SMEs develop a bespoke Brexit plan. 889 Brexit voucher applications were approved to support companies in areas such as supply chain mapping, customs, finance, people, GDPR, regulation & general Brexit risk mitigation.
- A significant milestone has been achieved for the US Ireland R&D Partnership with the reporting of 65 projects that have been awarded funding which represents a combined investment value of c€106m/c£89m/c\$126m.
- Our Synergy initiative continued to enhance cross-border collaborative partnerships. Key highlights were the creation of the All-island 'CovidBizMap' to promote health innovations created by the island's businesses in response to the Covid-19 crisis. The All-island map has promoted over 340 business innovations. We also facilitated the re-invigoration of the All-island Cancer Consortium between the Northern Ireland Cancer Trials Network, Cancer Trials Ireland and National Cancer Institute in the US. This engagement led to the resigning of the expired Memorandum of Understanding between the three jurisdictions, which took place in early 2021. Other key focus areas were Health and Life Sciences, FinTech and cyber security.
- All our activities continue to be based on sound economic research.

³ Impact of Expenditure is the ratio of Business Value Generated by InterTradeIreland programmes against the cost of delivering those programmes. Business Value is captured through InterTradeIreland monitoring activities and independent evaluations and is based on business values reported directly by individual companies that have previously completed our programmes

⁴ Business Value is reported as an aggregation of impacts from our portfolio of programmes and incorporates Additional Revenue Generated, Efficiency Savings and Investments Made as a direct result of a company's participation on an InterTradeIreland programme.

⁵ €1=£0.90 (2020 Business Planning Guidance from DPER (Ireland) & DoF (Northern Ireland).



Foreword to the Accounts

Background Information

InterTradeIreland - The Trade and Business Development Body (the Body) - is a North South implementation body sponsored by the Department for the Economy in Northern Ireland and the Department of Enterprise, Trade and Employment in Ireland. InterTradeIreland was established on 2nd 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. InterTradeIreland'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 InterTradeIreland's activities is given in the Annual Review of Activities.

Results for the Financial Year 1 January 2020 - 31 December 2020

The results of InterTradeIreland are set out in detail on pages 66-89. The surplus for the period was £2,330,198 (€2,619,145) (2019: deficit £389,867 (€444,177)).

Fixed Assets

Details of movement of fixed assets are set out in Note 8 and Note 9 to the accounts. During 2020 expenditure on Fixed Assets related to IT.

Research & Development

Evidence based research underpins the development of the Body's activities. The Body researches and advises on cross-border and economic issues in Ireland and Northern Ireland through the development of the all-island Business Monitor and specific research projects.

Future Developments

Brexit

Following the UK's withdrawal from the EU, InterTradeIreland is continuing to provide a range of supports to SMEs through the Brexit Advisory Service. The Body will continue to work closely with both of its Sponsor Departments and has developed operational plans to ensure that it can effectively and efficiently meet the demand from SMEs.



Corporate Plan

The Body has historically prepared Corporate Plans for a three year period, with the most recent approved Plan being the 2020-2022 Corporate Plan, which was approved by North South Ministerial Council (NSMC) on 16 December 2020. This refers to the Body's mission to deliver focussed, collaborative all island trade and business development initiatives that drive productivity, jobs and growth.

Future Commitments

As at 31 December 2020, the Body has future programme expenditure commitments potentially amounting to £14,171,814 (2019: £10,763,652). These commitments relate to Letters of Offer and delivery agent contracts of varying durations, which were issued in 2020 or previous years, and which relate to future years. The commitments indicate the level of demand for the InterTradeIreland suite of programmes.

Charitable Donations

There were no charitable donations made by InterTradeIreland during 2020.

Business Plan

In the absence of an Economy Minister until 11 January 2020, it was not possible to secure North South Ministerial Council (NSMC) approval of 2017, 2018 and 2019 Business Plans for InterTradeIreland. While arrangements were made with the Department of Finance to ensure legality of payments in the absence of approved business plans, expenditure is deemed irregular until the NSMC approves Business Plans. An NSMC meeting was held on 25 November 2020, at which the Business Plans for 2017-2020 were approved.

The Department for Enterprise, Trade and Employment continued to fund the Body's activities in the absence of an approved Business Plan.

Important Events Occurring After the Year End

Covid-19 Pandemic

At the date of approval of these accounts, InterTradeIreland is continuing to follow government and public health advice by working remotely to deliver services. The Body's response to the Covid-19 situation aims to ensure that whilst working remotely, it will continue to maintain a high level of corporate governance and compliance with existing policies and procedures. A number of new supports were launched in 2020 in response to Covid-19, with the financial support of the Sponsor Departments, to assist businesses to adjust to the challenges of the pandemic.

Board Members

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

Mr Ken Nelson (Chairman)

Mr Martin McVicar (appointed 25 November 2020)

Mr Micheal Briody

Mr Timothy Cairns

Mr Paul Greenfield (term completed 12 December 2020)

Ms Ann Rudden (term completed 12 December 2020)

Mr James Spratt (term completed 12 December 2020)

Ms Adrienne McGuinness (appointed 11 March 2020)

Ms Florence Bayliss (appointed 11 March 2020)

Mr Michael Hanley (appointed 25 November 2020)

Mr Richard Kennedy (appointed 13 December 2020)

Ms Kim Ashtor

(appointed 16 December 2020 and resigned 31 May 2021)

Mr Pete Byrne (appointed 16 December 2020)

Dr Conor Patterson (appointed 16 December 2020)

Mr David Simpson (appointed 16 December 2020)

The Chief Executive is responsible for the management and control generally of the administration of the Body. Due to the absence of a Northern Ireland Executive until 11 January 2020, the Body was not in a position to recruit a replacement for the previous Chief Executive. As an interim measure, Mr Aidan Gough, Director of Strategy and Policy within the Body, was appointed as Designated Officer, with the agreement of the Sponsor Departments. Following Mr Gough's retirement, Ms Margaret Hearty was appointed as Designated Officer on 1 February 2021, before being appointed as Chief Executive Officer later in 2021.

The appointment of Ms Adrienne McGuinness and Ms Florence Bayliss as Board members was formally approved by the North South Ministerial Council on 11 March 2020. They had been nominated by the DBEI Minister in February 2018, however were unable to be appointed as Board members in the absence of NSMC, and attended Board meetings as observers with no voting rights.

Equal Opportunities

InterTradeIreland has continued to promote an Equal Opportunities Policy which sets out our commitment to provide employment equality to all, irrespective of religious belief, gender, disability, race, political opinion, age, marital status, sexual orientation, or whether or not they have dependants.

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 won the William Keown Access Award in 2002.

Currently 5% of our employees have declared that they have a disability under the definitions of the Act.



Statutory Equality Scheme

InterTradeIreland's original Equality Scheme was approved by the Equality Commission in March 2002. A revised Equality Scheme was approved in July 2012. 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; and
- 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.

Employee Involvement

InterTradeIreland formally recognises NIPSA for negotiation and consultation.

Payment to Suppliers

InterTradeIreland 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, as amended by the Late Payment of Commercial Debts Regulations 2002, and the Late Payments in Commercial Transactions Regulations 2012. 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. The total number of approved invoices paid during the year was 3,508 (2019: 4,160). 98.2% (2019: 98.2%) of these were paid within the relevant period.

Health & Safety Policy

InterTradeIreland 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.

Margaret Hearty

Designated Officer

Date: 4 August 2021

Statement of Accountable Person's Responsibilities

The Finance Departments have directed InterTradeIreland 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, in accordance with the accounts direction, of the Body's state of affairs at the year-end and of its income and expenditure, changes in equity, and cash flows for the calendar year.

In preparing the accounts InterTradeIreland is required to:

- Observe the accounts direction issued by the Sponsor Departments, including the relevant accounting and disclosure requirements, and apply 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; and
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that InterTradeIreland will continue in operation.

Chief Executive's Responsibilites

The Chief Executive's responsibilities as the accountable person for InterTradeIreland, 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.



Statement of Internal Control / Governance Statement

Governance Framework

Due to the absence of a Northern Ireland Executive until 11 January 2020, the Body was not in a position to recruit a replacement for the previous Chief Executive, who resigned in October 2017. As an interim measure, Mr Aidan Gough was appointed as Designated Officer, and therefore Accountable Person, with the agreement of the Sponsor Departments. Following Mr Gough's retirement, I was appointed as Designated Officer from 1 February 2021. As Accountable Person, I have responsibility for maintaining a sound system of internal control that supports the achievement of InterTradeIreland's policies, aims and objectives, set by the Board, North South Ministerial Council and Ministers, whilst safeguarding the public funds and InterTradeIreland's assets for which I am responsible, in accordance with the responsibilities assigned to me.

InterTradeIreland is a North South implementation body sponsored by the Department for the Economy in Northern Ireland (DfE) and the Department of Enterprise, Trade and Employment in Ireland (DETE). 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.

In accordance with the establishing legislation, the Body has a Board, with a complement of twelve members, six from each jurisdiction, who are nominated by Ministers and appointed by the North South Ministerial Council. The Board meets at least ten times each year, and is supported in its work by a number of sub-Committees derived from the Board membership, including an Audit and Risk Assurance Committee, and other sub-Committees relating to programme delivery and communications.

Risk and Control Framework

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 InterTradeIreland'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 InterTradeIreland for the year ended 31st December 2020 and up to the date of approval of the annual report and accounts, and accords with the Finance Departments' guidance.

Risk management has been incorporated into the corporate planning and decision making processes of InterTradeIreland. The Body has adopted a formal policy on risk management, updated in September 2020, which allows for a proactive, on-going process of risk assessment, with the objective of prevention, control and containment of risk. A key element of the Guidance is the definition of roles and responsibilities for risk management, with the Board having a key role. Proposals for the setting of a risk appetite for the Body were agreed by the Board in April 2016 and procedures for identifying, assessing and mitigating risks were developed. 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 Senior Leadership Team review the risk register on a regular basis. The Audit and Risk Assurance Committee meets at least four times each year and reports to the Board at the subsequent board

meeting. A standing item on the Audit and Risk Assurance Committee agenda is the review of the risk register for accuracy, completeness and to ensure that all appropriate steps to control or mitigate risk are in place. The risk register is formally considered by the full board annually, and the updated policy was approved by the Board in October 2020.

Staff manage risk through a range of embedded procedures within the Body. These include financial and budgetary controls, documented systems and procedures around processes and activities, schemes of delegated authority, appropriate insurances, comprehensive procedures around evaluation and appraisal, the taking of legal advice when required, and appropriate training in such areas as fraud awareness, evaluations and financial management. Inter-departmental or cross-directorate working and learning is actively encouraged and facilitated with the objective of reducing risk through awareness.

InterTradeIreland has defined Direct Impact Measures (Key Performance Indicators) to ensure that the public resources utilised by the Body deliver value for money in ways which align with the organisation's legislative remit and strategic goals. The Body uses a bespoke information system, which has been independently evaluated, to provide performance monitoring data in respect of these direct impact measures.

54>



Key Issues

Covid-19 Pandemic

At the date of approval of these accounts, InterTradeIreland is continuing to follow government and public health advice by working remotely to deliver services. The Body's response to the Covid-19 situation aims to ensure that whilst working remotely, it will continue to maintain a high level of corporate governance and compliance with existing policies and procedures.

Approval of Business Plans

In the absence of an Economy Minister until 11 January 2020, it was not possible to secure North South Ministerial Council (NSMC) approval of 2017, 2018 and 2019 Business Plans for InterTradeIreland. While arrangements were made with the Department of Finance to ensure legality of payments in the absence of approved business plans, expenditure is deemed irregular until the NSMC approves Business Plans. An NSMC meeting was held on 25 November 2020, at which the Business Plans for 2017-2020 were approved.

Brexit

Following the UK's withdrawal from the EU, InterTradeIreland is continuing to provide a range of supports to SMEs through the Brexit Advisory Service. The Body will continue to work closely with both of its Sponsor Departments and has developed operational plans to ensure that it can effectively and efficiently meet the demand from SMEs.

Financial Memorandum

The Body operates within the context of a Financial Memorandum, which sets out the financial procedures and accountability arrangements, which govern financial relationships between the Body and the NSMC, the Sponsor Departments and Finance Departments. The Financial Memorandum was last updated by the Sponsor and Finance Departments in January 2006. It is currently under review, and it is hoped that this process will be completed within the current financial year.

NI Public Services Ombudsman

During 2018, NIPSO investigated a complaint in relation to the Body's 2017 Seedcorn Programme. The report from the investigation was finalised in March 2020 and the Body has accepted the recommendations made in the report.

Board Quorum

In October 2019 the quorum required for Board decisions was reduced to address the fact that the Body was unable to appoint new Board members in the absence of NSMC. The quorum is calculated as being 50% of the Board membership plus one. Following the restoration of the NI Executive in January 2020, two Board appointments were made on 11 March 2020. The NSMC meeting on 25 November 2020 approved the appointment of three new Board members, and the re-appointment of three members who were due to complete their terms of office in December 2020. The appointment of a further four members was approved by NSMC in December 2020, which restored a full complement of twelve Board members.

Review of Effectiveness

As Accountable Person, I have responsibility for reviewing the effectiveness of the system of governance and 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 directors and managers within InterTradeIreland, who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their annual report to those charged with governance and other reports. In conducting this review I have also drawn on my experience as a member of the Senior Leadership Team of the Body over several years.

I have been advised on the implications of the result of the review of the effectiveness of governance and internal control by the Board and the Audit and Risk Assurance Committee. A process to address any weaknesses and ensure continuous improvement of the system is in place. Processes in place for maintaining and reviewing the effectiveness of the system of governance and internal control during the year ended 31 December 2020 included:

- The presentation of the Body's risk register to the Board;
- Review of the risk register at each meeting of the Audit and Risk Assurance Committee;
- Four meetings of the Audit and Risk Assurance
 Committee to consider and advise on matters arising
 around the system of governance and internal control and
 the risk register;
- An Annual Report of the Audit and Risk Assurance Committee to inform the Accounting Officer and Chairman of its work during 2020 was provided and considered by the Board:
- A review of the Assurance Statements provided by the Body's Directors and Managers in support of this Statement of Internal Control;
- The application of a risk-based three year internal audit programme. The internal auditors, RSM, conducted audits on Payroll, Programmes and Procurement and also a follow-up review of previous recommendations.
- An annual statement of assurance from the Internal Auditors. They expressed the opinion that 'overall there is a satisfactory system of governance, risk management and control. While there may be some residual risk identified, this should not significantly impact on the achievement of system objectives'.
- The application of delegated sanctions agreed by both the respective Sponsoring Departments (DfE and DETE) and Finance Departments (DPER and DoF);
- The application of the provisions of the Financial Memorandum in conjunction with the above Departments;
- Taking cognisance of the recommendations and conclusions of evaluations around the Body's own programmes and those of other relevant agencies so as to continually strive for best practice in terms of programme delivery and propriety.

As a North South Implementation Body jointly sponsored by the Department for the Economy and the Department of Enterprise, Trade and Employment, InterTradeIreland is required to provide the Departments with such returns of information relating to its proceedings or undertakings as the Sponsor Departments may from time to time require. For such purposes, the Body shall permit any person authorised by the Sponsor Departments to inspect and make copies of their accounts, books, documents, data and records and shall afford such explanation as that person or the Sponsor Departments may require.

Margaret Hearty

Designated Officer

Date: 4 August 2021





Report on the Remuneration of Senior Management

The senior management of InterTradeIreland are considered to be the CEO, the three members of the Senior Leadership Team and the Board of the Body. The Chief Executive is the Accounting Officer as approved by NSMC and is responsible for the management and control generally of the administration of the Body. Due to the absence of a Northern Ireland Executive until 11 January 2020, the Body was not in a position to recruit a replacement for the previous Chief Executive. As an interim measure, Mr Aidan Gough, Director of Strategy and Policy within the Body, was appointed as Designated Officer, with the agreement of the Sponsor Departments. Following Mr Gough's retirement, Ms Margaret Hearty was appointed as Designated Officer on 1 February 2021, before being appointed as Chief Executive Officer later in 2021.

Policy on the remuneration of senior managers for current and future financial vears

The pay scales of the Senior Management mirror those of the NICS pay scales. The pay scales for each NICS grade contain a number of pay points from minima to maxima, allowing progression towards the maxima.

Service contracts

InterTradeIreland's Recruitment Policy aims:

"To employ suitably qualified and experienced staff to deliver the Body's Corporate and Operational Plan."

The Body's Recruitment Policy has been defined by the legislative framework of the Good Friday Agreement which established the North South Implementation Bodies and by current employment legislation. It has been further defined by the Board and Management of InterTradeIreland.

The Body adopts a best practice approach in recruitment and selection which aims to secure the best person for the job. A competency based interviewing process is used to select candidates whose experience best match the posts on offer. All appointments are then subject to a six-month probationary period during which time performance will be closely monitored. Following satisfactory completion of this probation period, permanent contracts are confirmed and open-ended with a notice period of up to three months. Termination payments are in accordance with contractual terms.

Salary and Pension Entitlements

The following sections provide details of the remuneration and pension interests of the senior management of the Body.

Remuneration (including salary) and pension entitlements of Senior Management Staff									
	2020				2019				
	Salary £	Salary €	Pension Benefits £*	Total £	Salary £	Salary €	Pension Benefits*	Total £	
Total Senior Management Remuneration	£180,423	€202,796	£67,700	£248,123	£184,440	€211,272	£167,300	£351,740	

Following the receipt of legal advice, a summary of senior management remuneration is presented, since disclosure of individual remuneration may represent a breach of the General Data Protection Regulations.

*The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation and any increase or decrease due to a transfer of pension rights.

The senior management remuneration totals relate to the directors in post during 2020, Aidan Gough, Margaret Hearty and Martin Agnew. The current senior management team are as detailed on pages 16-17 of the Annual Report.

Fair Pay Disclosure

The Body is required to disclose the relationship between remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

	2020 £	2020 €	2019 £	2019 €
The highest paid Director	65,000	73,060	65,000	74,055
Ratio	1.7		1.7	
Range of staff remuneration Lowest Paid Highest Paid	23,484 65,426	26,396 73,539	23,023 68,368	26,230 77,892

The ratio is calculated using the mid-point of the banded remuneration of the highest paid director in post at the reporting date of 31 December, in accordance with the North South Implementation Bodies Annual Report and Accounts Guidance.



Salary

'Salary' includes gross salary and any other allowance to the extent that it is subject to UK/Irish taxation and any ex gratia payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

Benefits in Kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated as a taxable emolument. There were no benefits in kind provided to senior management or staff in 2020 or 2019.

Bonuses

It is not the policy of the Body to make any bonus payments to members of the senior management team or staff. No bonus payments were made in 2020 or 2019.

Pension Benefits

	Accrued pension at pension age as at 31/12/20 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/12/20	CETV at 31/12/19	Real increase in CETV
	(£)	(£)	(3)	(3)	(£)
Director 1	Pension £29,000 Lump Sum £86,900	Pension £600 Lump Sum £1,600	686,000	658,000	28,000
Director 2	Pension £20,800 Lump Sum £35,700	Pension £1,500 Lump Sum £0	342,000	317,000	25,000
Director 3	Pension £ 6,600 Lump Sum £ 2,300	Pension £1,200 Lump Sum £100	72,000	58,000	14,000

Following the receipt of legal advice, senior management pension entitlements have been anonymised to ensure compliance with General Data Protection Regulations.

Pension Arrangements - General Description of the Scheme

The pension scheme consists of a number of sections with different benefit structures. The main sections are:

The Core Final Salary section - this is a final salary pension arrangement with benefits modelled on the Classic section on the Principal Civil Service Pension Scheme in Northern Ireland. The scheme provides a pension (one eightieth per year of service), a gratuity or lump sum (three eightieths per year of service) and spouse's and children's pensions. Normal retirement age is a member's 60th birthday. Pensions in payment (and deferment) increase in line with general price inflation.

The Core Alpha section - this is a career averaged revalued earning pension arrangement or CARE scheme with benefits modelled on the alpha section of the Principal Civil Service Pension Scheme in Northern Ireland. The scheme provides a pension based on a percentage (2.32%) of pensionable pay for each year of active membership (the pension is increased at the start of each scheme year in line with general price inflation) and spouse's and children's pensions. Normal Retirement Age is a member's State Pension Age in the relevant jurisdiction, which is currently 67, 68 or between 67 and 68 in the UK and 68 in Ireland. Pensions in payment (and deferment) increase in line with general price inflation.

Most Core section members have benefits in both the Final Salary and alpha sections and new entrants who join the Scheme after 1 April 2015 will, in most cases, become members of the core Alpha section.

The valuation used for FRS 17 disclosures at 31 December 2020 has been carried out by a qualified independent actuary (Deloitte). The results this year have been prepared by carrying out a full valuation of the Scheme's liabilities incorporating market conditions and scheme data at 31 December 2020.

Cash Equivalent Transfer Values (CETV)

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The CETV figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Body's pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax, which may be due when pension benefits are taken.

Real Increase in CETV

This reflects the Increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.



Board Members' Remuneration

	Fees 2020	Fees 2020	Fees 2019	Fees 2019
	£	€	£	€
Total Board member remuneration	48,598	54,624	56,858	64,778

Following the receipt of legal advice, Board member fees have been summarised to ensure compliance with General Data Protection Regulations

Board Members expenses in 2020 were £3,744 (€4,208) (2019 - £4,535 (€5,167)).

The Chairman and Board Members did not receive any benefits in kind during 2020 or 2019. Members of the Board do not receive pension benefits.

Salary bands for all employees

Number of employees, including Co-Innovate programme and fixed term contract employees, whose emoluments for the twelve months ending 31 December 2020 fell within the following bands:

Salary Bands (£)	2020 (Number of employees)	2019 (Number of employees)
Less than 40,000	32	31
40,000 – 49,999	16	16
50,000 - 59,999	-	-
60,000 - 69,999	3	3
70,000 – 79,999	-	-
80,000 – 89,999	-	-

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

Opinion on the Accounts

We certify that we have audited the accounts of InterTradeIreland (the Body) for the year ended 31 December 2020 pursuant to the provisions of the North/South Cooperation (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. The accounts comprise:

- the income statement:
- the statement of comprehensive income;
- the statement of financial position;
- · the statement of cash flows;
- the statement of changes in equity; and
- · the related notes including significant accounting policies.

These accounts have been prepared under the accounting policies set out within them.

In our opinion, the accounts:

- give a true and fair view of the state of the Body's affairs as at 31 December 2020 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) and the accounts direction in the appendix to the accounts.

Opinion on Regularity

In our opinion, the expenditure and income recorded in the accounts have in all material respects been applied to the purposes intended by the Northern Ireland Assembly and the Houses of the Oireachtas and the financial transactions reported in the accounts conform to the authorities which govern them.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the responsibilities of the auditors section of this certificate. We are independent of the Body in accordance with the ethical requirements of the Financial Reporting Council's Revised Ethical Standard 2019 and of the Code of Ethics issued by the International Organisation of Supreme Audit Institutions and have fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Information Other Than the Accounts

The Body has presented certain other information together with the accounts. This comprises the annual report, the foreword to the accounts, the statement on the system of internal control/governance statement and the remuneration report. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained during the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



Matters on which we report by exception

We have nothing to report in respect of the following matters which we report if, in our opinion:

- we have not received all the information and explanations we required for our audit, or
- the accounting records were not sufficient to permit the accounts to be readily and properly audited, or
- the accounts are not in agreement with the accounting records, or
- the statement on the system of internal control/ governance statement does not reflect compliance with applicable guidance on corporate governance.

Responsibilities of the Body and the Accounting Officer for the accounts

As explained more fully in the Statement of Responsibilities, the Body is responsible for the preparation of the accounts on the basis of the accounts direction included in the appendix to the accounts and for being satisfied that they give a true and fair view. The Designated Officer, as Accounting Officer, is responsible for the propriety and regularity in relation to the use of public funds.

Responsibilities of the auditors

Our responsibility is to audit the accounts in accordance with the provisions of the North/South Co-operation (Implementation Bodies) (Northern Ireland) Order 1999 and the British-Irish Agreement Act 1999 and to report thereon to the Northern Ireland Assembly and the Houses of the Oireachtas.

Our objective in carrying out the audit is to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether caused by fraud or error. Reasonable assurance is a high level of assurance,

but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

As part of an audit in accordance with the ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. In doing so:

- We identify and assess the risks of material misstatement
 of the accounts whether due to fraud or error; design
 and perform audit procedures responsive to those
 risks; and obtain audit evidence that is sufficient and
 appropriate to provide a basis for our opinion. The risk
 of not detecting a material misstatement resulting from
 fraud is higher than for one resulting from error, as fraud
 may involve collusion, forgery, intentional omissions,
 misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.

- We conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Body's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Body to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the accounts, including the disclosures, and whether the accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

In addition, we are required to obtain evidence sufficient to give reasonable assurance that expenditure and income recorded in the financial accounts have been applied to the purposes intended by the Northern Ireland Assembly and Houses of the Oireachtas and that the financial transactions recorded in the accounts conform to the authorities which govern them.

Kieran Donnelly

Comptroller and Auditor General for Northern Ireland Northern Ireland Audit Office

106 University Street Belfast BT7 1EU

Dated 9 August 2021

Seamus McCarthy

Comptroller and Auditor General, Ireland

Deans Mc Cartly.

3A Mayor Street Upper Dublin 1, Ireland D01 PF72

Dated 9 August 2021



Income Statement for the Year Ended 31 December 2020

INCOME	Notes	2020 £	2019 £	2020 €	2019 €
Grant Receivable	2	16,518,258	13,743,329	18,566,522	15,657,775
Capital Grant Release	13.2	47,689	38,658	53,602	44,043
Other Operating Income	3	1,347,243	857,125	1,514,300	976,522
TOTAL INCOME		17,913,190	14,639,112	20,134,424	16,678,340

EXPENDITURE					
Staff Costs and Board Remuneration	4	3,741,389	3,409,084	4,205,320	3,883,968
Depreciation	8 & 9	47,689	38,658	53,602	44,043
Other Operating Costs	6	749,717	890,540	842,680	1,014,595
Programme Costs	7	11,043,585	10,689,199	12,412,990	12,178,204
		15,582,380	15,027,481	17,514,592	17,120,810
Surplus/(Deficit) before tax		2,330,810	(388,369)	2,619,832	(442,470)
Corporation Tax Payable	6 (b)	(612)	(1,498)	(687)	(1,707)
Surplus/(Deficit) for the year		2,330,198	(389,867)	2,619,145	(444,177)
Surplus/(Deficit) for year transferred to General Fund		2,330,198	(389,867)	2,619,145	(444,177)

Statement of Comprehensive Income for the Year Ended 31 December 2020

	Notes	2020 £	2019 £	2020 €	2019 €
Surplus/(Deficit) for the year		2,330,198	(389,867)	2,619,145	(444,177)
Actuarial (losses) on pension liabilities	15.3	(5,407,029)	(2,628,765)	(6,077,500)	(2,994,952)
Adjustment to Deferred Pension Funding		5,407,029	2,628,765	6,077,500	2,994,952
Total recognised Surplus/(Loss) for the year		2,330,198	(389,867)	2,619,145	(444,177)

All amounts above relate to continuing activities.

The notes on pages 70 to 89 form part of these accounts, together with Appendix A on page 90.

Statement of Financial Position as at 31 December 2020

	Notes	2020	2019	2020	2019
FIXED ASSETS		£	£	€	€
Intangible Assets	8	18,136	27,080	20,173	31,830
Property, Plant & Equipment	9	56,855	76,520	63,240	89,941
		74,991	103,600	83,413	121,771
CURRENT ASSETS					
Receivables due within one year	10	818,339	661,701	910,239	777,763
Cash and cash equivalents	14.2	5,914,714	2,964,046	6,578,936	3,483,940
		6,733,053	3,625,747	7,489,175	4,261,703
CURRENT LIABILITIES					
Payables - amounts due in less than one year	11	2,954,794	2,222,148	3,286,617	2,611,913
Provisions - amounts due in less than one year	12	221,870	177,408	246,786	208,525
		3,176,664	2,399,556	3,533,403	2,820,438
NET CURRENT ASSETS		3,556,389	1,226,191	3,955,772	1,441,265
TOTAL ASSETS LESS CURRENT LIABILITIES BEFORE PENSIONS		3,631,380	1,329,791	4,039,185	1,563,036
Pension Liabilities	15.2	(23,046,621)	(16,284,940)	(25,634,757)	(19,141,318)
Deferred Pension Funding	15.5	23,046,621	16,284,940	25,634,757	19,141,318
Total Assets Less Total Liabilities		3,631,380	1,329,791	4,039,185	1,563,036

Financed by:

CAPITAL AND RESERVES					
General Reserve	13.1	3,556,389	1,226,191	3,955,772	1,441,265
Capital Grant Reserve	13.2	74,991	103,600	83,413	121,771
		3,631,380	1,329,791	4,039,185	1,563,036

The notes on pages 70 to 89 form part of these accounts, together with Appendix A on page 90.

Margaret Hearty

Date: 4 August 2021





Statement of Cash Flows for the Year Ended 31 December 2020

	Notes	2020 £	2019 £	2020 €	2019 €
Net cash generated from Operating Activities	14.1	2,950,017	(899,293)	3,094,265	(835,055)
Cash flows from investing activities					
Payments to acquire Intangible Assets, Property, Plant & Equipment	8,9	(19,080)	(91,998)	(21,446)	(104,813)
Cash flows from financing activities					
Grant Received for Capital Purposes	13.2	19,080	91,998	21,446	104,813
Interest received	3	651	7,884	731	8,982
Net increase (decrease) in cash and cash equivalents	14.2	2,950,668	(891,409)	3,094,996	(826,073)
Cash and cash equivalents at the beginning of the year		2,964,046	3,855,455	3,483,940	4,310,013
Cash and cash equivalents at the end of the year		5,914,714	2,964,046	6,578,936	3,483,940

The notes on pages 70 to 89 form part of these accounts, together with Appendix A on page 90.

Statement of Changes in Equity as at 31 December 2020

	Notes	2020	2019	2020	2019
		£	£	€	€
General Reserve					
Balance at 1 January		1,226,191	1,616,058	1,441,265	1,806,592
Surplus/(Deficit) for year		2,330,198	(389,867)	2,619,145	(444,177)
Actuarial (Loss)	15.3	(5,407,029)	(2,628,765)	(6,077,500)	(2,994,952)
Deferred Pension Funding		5,407,029	2,628,765	6,077,500	2,994,952
Exchange (Loss)/Gain		-	-	(104,638)	78,850
Balance at 31 December	13.1	3,556,389	1,226,191	3,955,772	1,441,265

Capital Grant Reserve					
Balance at 1 January		103,600	50,260	121,771	56,185
Capital Grants Received		19,080	91,998	21,446	104,813
Amortisation in line with asset depreciation		(47,689)	(38,658)	(53,602)	(44,043)
Exchange (Loss)/Gain		-	-	(6,202)	4,816
Balance at 31 December	13.2	74,991	103,600	83,413	121,771
Total Equity at Year End		3,631,380	1,329,791	4,039,185	1,563,036

The notes on pages 70 to 89 form part of these accounts, together with Appendix A on page 90.



Notes to the Accounts for the year ended 31 December 2020

1. Accounting Policies

1.1 Basis of Preparation

The financial statements have been prepared in accordance with FRS102, the financial reporting standard applicable in the UK and Ireland.

The accounts have been prepared in accordance with the historical cost convention. The accounts comply with the accounting and disclosure requirements issued by DoF and DPER in July 2017.

1.2 Property, Plant and Equipment

- 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 2020.
- d) The value of the operational assets in use at InterTradeIreland is not considered sufficient to require annual revaluation.

1.3 Pension Costs

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 Enterprise, Trade and Employment to the Body. The Northern Ireland share of the benefits is paid by the Department for the Economy.

The liability at 31 December 2020 has been included in the financial statements and a disclosure note has been included (Note 15) detailing the actuarial review calculations, which were carried out by Deloitte Total Reward and Benefits Ltd. This includes the results of the calculations of the pension liabilities and costs of employees (and ex-employees) of InterTradelreland for the purposes of the accounts for the year ended 31 December 2020 and comparative figures for 2019.

Pension costs reflect pension benefits earned by employees in the period. An amount corresponding to the pension charge is recognised as income to the extent that it is recoverable, and offset by grants received in the year to discharge pension payments. Pension liabilities represent the present value of future pension payments earned by staff to date. The actuarial basis of measuring pension liabilities is on the projected unit method. Actuarial gains and losses arising from changes in actuarial assumptions and from experience surpluses and deficits are recognised in the Statement of Comprehensive Income.

1.4 Value Added Tax

InterTradeIreland was not in a position to reclaim VAT.

Therefore VAT is included as expenditure and where appropriate capitalised in the value of Intangible Assets and Property, Plant and Equipment.

1.5 Foreign Currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the reporting date. Transactions in foreign currencies are recorded at the date of the transactions. Realised gains and losses are taken to the Income Statement. Translated amounts have been disclosed in the Income Statement, the Statement of Cash Flows, the Statement of Financial Position and the related notes in Euro(€). The closing rate used for the Statement of Financial Position was £1=€1.1123 (2019:£1=€1.1754) and the average rate used for the Income Statement was £1= €1.1240 (2019:£1=€1.1393). Both these rates are the European Central Bank exchange rates.

1.6 Grant Expenditure

Grant expenditure is recognised in the period in which the grant supported activity takes place. Grants are paid in support of specific projects. Payments are made on foot of claims relating to activity undertaken on the project. In preparing these accounts, a liability is recognised for amounts payable in respect of project activity which has not been claimed at the date accounts are prepared.

Where the amount of the liability, and the actual date of payment, is known with certainty, the liability is accounted for as an accrual, and disclosed in payables (Note 11). Where both the amount and the timing of payment are uncertain, but the activity has taken place, the liability is provided for as a provision and disclosed within provisions (Note 12). Grants awarded less amounts paid or provided for are disclosed in commitments (Note 16.2).

1.7 Capital Grant Reserve

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

1.8 Commitments

Commitments represent contractual obligations in future years in respect of contracts existing at the year end (Note 16). Any liabilities which relate to project activity in the current year are provided for as accruals or provisions, as deemed appropriate.

1.9 Leases

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

1.10 Grant income

Grant income from the Body's Sponsor Departments for revenue purposes is credited to the Income Statement in the accounting period in which it is received. Grant for capital purposes is credited to a Capital Grant Reserve in the period in which it is received and is released to the Income Statement over the expected useful life of the related assets.

Expenditure on the Co-Innovate Programme, which is funded by the EU Interreg VA Programme, is retrospectively reimbursed by the Special EU Programmes Body, as Managing Agent for the Interreg Programme. The amount of grant income recognised in the Income Statement reflects the amount receivable in relation to expenditure incurred during the year, with the balance outstanding at the year-end being recognised as a receivable in Note 10.



2. Grant Receivable

	Notes	2020 £	2019 £	2020 €	2019 €
Revenue Grants from Sponsor Departments	2.1, 2.2	15,568,305	12,940,752	17,498,775	14,743,399
Co-Innovate Programme		949,953	802,577	1,067,747	914,376
		16,518,258	13,743,329	18,566,522	15,657,775

Expenditure incurred by the Body on the Co-Innovate Programme is reimbursed retrospectively by the Special EU Programmes Body, the Managing Agent for the EU Interreg VA Programme, which funds the delivery of Co-Innovate.

2.1 Grants from Sponsor Departments 2020

	DfE (Northern Ireland) £	DfE (Northern Ireland) €	DETE (Ireland) £	DETE (Ireland) €	TOTAL £	TOTAL €
Revenue Grant	4,281,657	4,789,434	11,286,648	12,709,341	15,568,305	17,498,775
Capital Grant	6,360	7,149	12,720	14,297	19,080	21,446
	4,288,017	4,796,583	11,299,368	12,723,638	15,587,385	17,520,221

2.2 Grants from Sponsor Departments 2019

	DfE (Northern Ireland) £	DfE (Northern Ireland) €	DETE (Ireland) £	DETE (Ireland) €	TOTAL £	TOTAL €
Revenue Grant	4,234,133	4,857,564	8,706,619	9,885,835	12,940,752	14,743,399
Capital Grant	78,665	89,623	13,333	15,190	91,998	104,813
	4,312,798	4,947,187	8,719,952	9,901,025	13,032,750	14,848,212

The Body was paid grants from money provided by its Sponsor Departments, the Department for the Economy in Northern Ireland, and the Department for Enterprise, Trade and Employment in Ireland. The North South Ministerial Council, with the approval of Finance Ministers, recommended that the grants should be split on a 2:1 basis - DETE(Ireland)(2) and DfE (Northern Ireland)(1).

This funding ratio was not met in 2020, as DETE provided additional funding as part of its 2020 euro allocation to the Body, for activities related to supporting businesses during the Covid-19 global pandemic. Revenue grants include DETE funding of €2.5m and DfE funding of £0.55m for new E-merge and Emergency Business Solutions programmes, which enable businesses to access consultancy support to address business challenges arising from Covid-19, including on-line sales and e-commerce solutions. A further £0.54m was received from the DfE 2020/21 budget. Total expenditure on these programmes in 2020 amounted to £2m.

3. Other Operating Income

Other operating income comprises:

	Notes	2020 £	2019 £	2020 €	2019 €
Bank interest receivable		651	7,884	731	8,982
Conference Income		17,495	20,035	19,664	22,826
Net deferred funding for pensions	15.4	1,329,097	829,206	1,493,905	944,714
		1,347,243	857,125	1,514,300	976,522

4. Staff Costs and Board Remuneration

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

		2020	2019
Permanent Staff	- CEO Office	1	1
	- Corporate Services	11	10
	- Policy	8	10
	- Operations	18	18
		38	39
Co-Innovate Programme Staff		7	6
Fixed term contract staff		6	5
		51	50
Agency/Temporary staff	Agency/Temporary staff		4
		55	54

The average monthly number of employees includes new staff recruited during the year.



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

The accounting policy for pensions is detailed in Note 1.3.

Pay and pension details of the Chief Executive and Senior Leadership Team are included in the Remuneration Report on pages 58 to 62.

Costs amounting to £103,748 (2019:£110,916) for three employees on fixed term contracts in the Brexit team are included within Programme Costs in Note 7.

5. Performance Against Key Financial Targets

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

6(a). Other Operating Costs

	2020 £	2019 £	2020 €	2019 €
Travel and Subsistence	5,141	11,291	5,778	12,864
Postage, Stationery, Telephone	15,251	13,853	17,142	15,783
Currency (Gain)/Loss	(78,051)	50,669	(87,729)	57,727
Rent and Rates	163,759	192,632	184,065	219,466
Heat, Light and Power	25,193	32,873	28,317	37,452
Maintenance	45,593	28,360	51,247	32,311
Promotion and Web Development	198,545	160,353	223,164	182,690
Professional Fees	3,598	39,629	4,044	45,149
Meeting Costs	403	1,513	453	1,724
Internal Audit	9,730	7,057	10,937	8,040
External Audit	25,500	24,000	28,662	27,343
Recruitment Costs	35,410	25,267	39,801	28,786
Insurance	9,391	8,847	10,556	10,080
Pension Admin Costs	17,235	10,802	19,372	12,306
Office Expenses	7,168	9,845	8,056	11,217
Information Systems	159,961	167,886	179,795	191,273
Training and Development	29,296	27,270	32,928	31,069
General Expenses	3,421	8,639	3,846	9,843
Bank Charges	1,817	1,902	2,042	2,167
Board Meeting Costs	430	2,624	483	2,990
Cleaning	18,678	20,131	20,994	22,936
Security Costs	52,248	45,097	58,727	51,379
TOTAL	749,717	890,540	842,680	1,014,595

6(b). Corporation Tax Payable

	2020	2019	2020	2019
	£	£	€	€
Corporation Tax	612	1,498	687	1,707

A Corporation Tax liability arose in InterTradeIreland in 2020, due to tax payable on the interest on bank account balances.

74>



7. Programme Costs

7.1 InterTradeIreland Costs

	2020	2019	2020	2019
	£	£	€	€
Trade Activities	4,003,640	3,422,179	4,500,091	3,898,889
Innovation Activities	2,053,315	2,392,614	2,307,926	2,725,905
Business and Economic Research	218,953	184,141	246,103	209,792

7.2 Financial Assistance to Other Organisations

TOTAL	10,427,592	10,186,164	11,720,614	11,605,096
Impact	12,500	-	14,050	-
Financial Assistance Scheme	68,420	-	76,904	-
Research Connections	780	3,799	877	4,328
Equity/Venture Capital	252,375	238,136	283,670	271,308
Acumen	1,203,343	1,237,600	1,352,558	1,409,997
Fusion	2,614,266	2,707,695	2,938,435	3,084,877

7.3 Co-Innovate Programme

ТО	TAL PROGRAMME EXPENDITURE	11,043,585	10,689,199	12,412,990	12,178,204
Co	-Innovate programme	615,993	503,035	692,376	573,108

With respect to Note 7.2, Financial Assistance to other Organisations, the amount of £9,854 (2019:£390,599) in relation to the Acumen Phase IV programme solely represents the amount payable to other organisations from InterTradeIreland resources. Under this phase of the programme InterTradeIreland had entered into a Memorandum of Understanding with Invest NI and Enterprise Ireland to act as a conduit for funding of the programme. These organisations are not involved in the delivery of Phase V of the Programme, which commenced in 2018.

Expenditure incurred by the Body on the Co-Innovate Programme is reimbursed retrospectively by the Special EU Programmes Body, the Managing Agent for the EU Interreg VA Programme, which funds the delivery of Co-Innovate.

8. Intangible Assets

	Software Licenses £	TOTAL £	TOTAL €
Cost or Valuation			
At 1 January 2020	75,195	75,195	88,384
Additions	-	-	-
Disposals	-	-	-
At 31 December 2020	75,195	75,195	88,384
Depreciation			
At 1 January 2020	48,115	48,115	56,554
Provision for Year	8,944	8,944	10,053
Disposals	-	-	-
At 31 December 2020	57,059	57,059	66,607
Net Book Value at 31 December 2020	18,136	18,136	21,777
Currency Translation Adjustment			(1,604)
Net Book Value at 31 December 2020	18,136	18,136	20,173
Net Book Value at 31 December 2019	27,080	27,080	31,830



9. Property, Plant and Equipment

	Leasehold Improvements £	Fixtures and Fittings	Office Equipment £	Computer Equipment £	TOTAL 2	TOTAL €
Cost or Valuation						
At 1 January 2020	145,225	80,481	38,717	327,713	592,136	695,997
Additions	-	-	-	19,080	19,080	21,446
Disposals	-	-	-	-	-	-
At 31 December 2020	145,225	80,481	38,717	346,793	611,216	717,443
Depreciation						
At 1 January 2020	145,225	77,093	38,717	254,581	515,616	606,056
Provision for Year	-	702	-	38,043	38,745	43,549
Disposals	-	-	-	-	-	-
At 31 December 2020	145,225	77,795	38,717	292,624	554,361	649,605
Net Book Value at 31 December 2020	-	2,686	-	54,169	56,855	67,838
Currency Translation Adjustment						(4,598)
Net Book Value at 31 December 2020	-	2,686	-	54,169	56,855	63,240
Net Book Value at 31 December 2019	-	3,388	-	73,132	76,520	89,941

10. Receivables (amounts due within one year)

	2020 £	2019 £	2020 €	2019 €
Other receivables	38,895	24,836	43,263	29,192
Prepayments and accrued income	85,906	82,407	95,554	96,861
SEUPB - Co-Innovate Programme Expenditure	693,538	554,458	771,422	651,710
TOTAL	818,339	661,701	910,239	777,763

The amount due from SEUPB represents expenditure incurred by InterTradeIreland on the Co-Innovate Programme, which is due to be reimbursed by SEUPB. This includes costs in respect of staff employed for the delivery of the Programme.

11. Payables (amounts falling due less than one year)

	2020 £	2019 £	2020 €	2019 €
Trade Payables	526,858	497,559	586,024	584,831
Accruals	2,427,324	1,723,091	2,699,913	2,025,321
Corporation Tax	612	1,498	680	1,761
Total	2,954,794	2,222,148	3,286,617	2,611,913

Included in accruals is an amount of £2,169,272 (2019: £1,503,054) relating to programme accruals, where grant supported activity has occurred, but the related expenditure has not yet been claimed by grantees.

78>



12. Provisions (amounts falling due less than one year)

	2020 £	2019 £	2020 €	2019 €
Closing balance	221,870	177,408	246,786	208,525

The above provisions represent grant liabilities estimated by InterTradeIreland to arise as a result of grant supported activity which took place in the year but which have not yet been claimed by grantees. They principally arise under the following programmes: Acumen and FUSION.

13. Reserves

13.1 General Reserve

	2020	2019	2020	2019
	£	£	€	€
General Reserve Opening Balance	1,226,191	1,616,058	1,441,265	1,806,592
Surplus/ (Deficit) for the year	2,330,198	(389,867)	2,619,145	(444,177)
Difference on Foreign Exchange Translation	-	-	(104,638)	78,850
General Reserve Closing Balance	3,556,389	1,226,191	3,955,772	1,441,265

13.2 Capital Grant Reserve

	2020 £	2019 £	2020 €	2019 €
Opening Balance	103,600	50,260	121,771	56,185
Capital Grants Received	19,080	91,998	21,446	104,813
Less: Transfer to Income & Expenditure	(47,689)	(38,658)	(53,602)	(44,043)
Difference on Foreign Exchange Translation	-	-	(6,202)	4,816
Capital Grants Reserve Closing Balance	74,991	103,600	83,413	121,771

14. Notes to Statement of Cash Flows

14.1 Reconciliation of Surplus/(Deficit) for the Year to net cash inflow from operating activities

	2020 £	2019 £	2020 €	2019 €
Surplus/(Deficit) for the year before tax	2,330,810	(388,369)	2,619,832	(442,470)
Adjustments for				
Depreciation	47,689	38,658	53,602	44,043
Transfer from Capital Grant Reserve	(47,689)	(38,658)	(53,602)	(44,043)
Bank Interest Receivable	(651)	(7,884)	(731)	(8,982)
Tax Paid	(1,498)	(468)	(1,684)	(534)
(Increase)/Decrease in receivables	(156,638)	(399,246)	(132,476)	(484,365)
Increase/ (Decrease) in payables/provisions	777,994	(103,326)	713,962	22,446
Difference on Foreign Exchange Translation			(104,638)	78,850
Net cash generated from operating activities	2,950,017	(899,293)	3,094,265	(835,055)

14.2 Reconciliation of Net Cash Inflow/(Outflow) to Movement in Net Debt

	2020	2019		2019
	£	£	€	€
Cash at Bank and in hand at 1 January	2,964,046	3,855,455	3,483,940	4,310,013
Net Cash inflow/ (outflow)	2,950,668	(891,409)	3,094,996	(826,073)
Cash at Bank and in hand at 31 December	5,914,714	2,964,046	6,578,936	3,483,940



15. Pensions

15.1 Accounting Treatment

The pension scheme consists of a number of sections with different benefit structures. The main sections are:

The Core Final Salary section - this is a final salary pension arrangement with benefits modelled on the Classic section of the Principal Civil Service Pension Scheme in Northern Ireland. The scheme provides a pension (eightieths per year of service), a gratuity or lump sum (three-eightieths per year of service) and spouse's and children's pensions. Normal Retirement Age is a member's 60th birthday. Pensions in payment (and deferment) increase in line with general price inflation.

The Core Alpha section - this is a career averaged revalued earnings pension arrangement or 'CARE' scheme with benefits modelled on the Core Alpha section of the Principal Civil Service Pension Scheme in Northern Ireland. The scheme provides a pension based on a percentage (2.32%) of pensionable pay for each year of active membership (the pension is increased/decreased at the start of each scheme year in line with general price inflation), and spouses's and children's pensions. Normal Retirement Age is a member's State Pension Age in the relevant jurisdiction, which is currently 67,68 or between 67 and 68 in the UK and 66 in Ireland. The State pension age in Ireland was due to rise to 67 from 1 January 2021 and then 68 from 1 January 2028 however the government has deferred this change and a Pensions Commission has been established to consider the change to the State pension age, among other issues such as sustainability and intergenerational fairness. Pensions in payment (and deferment) increase in line with general price inflation.

Most Core section members have benefits in both the Final Salary and alpha sections and new entrants who join the Scheme after 1 April 2015 will, in most cases, become members of the Core Alpha section.

The valuation used for FRS 102 disclosures at 31 December 2020 has been carried out by a qualified independent actuary (Deloitte Total Reward and Benefits Ltd). The results this year have been prepared by carrying out a full valuation of the scheme's liabilities incorporating market conditions and scheme data at 31 December 2020. The principal assumptions used to calculate scheme liabilities are:

	31-Dec-20	31-Dec-19
Discount rate		
Northern Ireland:	1.35%	2.10%
Ireland:	0.80%	1.30%
Rate of increase in Consumer Price Index		
Northern Ireland:	2.20%	2.00%
Ireland:	1.05%	1.15%
Average rate of increase in pensions:		
Northern Ireland:	2.20%	2.00%
Ireland: Core members	1.05%	1.15%
Ireland: All other members	2.20%	2.00%
In line with salary increases		
Northern Ireland:	2.20%	2.00%
Ireland:	2.20%	2.00%
Average expected future life at age 65 for		
Male currently aged 65	22.30	22.00
Female currently aged 65	24.60	23.90
Male currently aged 45	23.60	23.40
Female currently aged 45	26.00	25.40

82>



15.2 Movement in Net Pension Liability During the Financial Year

	2020 £	2019 £	2020 €	2019 €
Opening value of scheme's liabilities	16,284,940	12,766,671	19,141,318	14,271,862
Service cost	1,156,858	910,020	1,300,308	1,036,786
Interest on scheme liabilities	352,241	357,568	395,919	407,377
Net transfers into the scheme	25,555	60,298	28,724	68,698
Actuarial Loss	5,407,029	2,628,765	6,077,501	2,994,952
Benefits Paid	(180,002)	(438,382)	(203,322)	(499,449)
Difference on foreign exchange translation			(1,106,691)	861,092
Net Pension Liability at 31 December	23,046,621	16,284,940	25,634,757	19,141,318

15.3 Analysis of the Movement in Deficit in the Plan During the Period is as Follows

	2020 £	2019 £	2020 €	2019 €
Experience Loss	207,735	727,730	233,494	829,103
Loss on Change of Financial Assumptions	4,997,267	1,901,035	5,616,928	2,165,849
Loss Due to Changes in Demographic Assumptions	202,027	-	227,078	-
145-that 2008 Statement Analysis	5,407,029	2,628,765	6,077,500	2,994,952

15.4 Income Statement Analysis

Analysis of the net deferred funding for pensions is as follows:

	2020 £	2019 £	2020 €	2019 €
Service cost	1,156,858	910,020	1,300,308	1,036,786
Other finance cost	352,241	357,568	395,919	407,377
Benefits paid during the year	(180,002)	(438,382)	(202,322)	(499,449)
	1,329,097	829,206	1,493,905	944,714

Analysis of the current pension service costs is as follows:

	2020 £	2019 £	2020 €	2019 €
Service cost	1,156,858	910,020	1,300,308	1,036,786
Other finance cost	352,241	357,568	395,919	407,377
	1,509,099	1,267,588	1,696,227	1,444,163

Contributions received from members of the North/South Pension Scheme in 2020 amounted to £116,933 (€131,432) (2019: £108,429 (€123,533)). As the North South Pension Scheme is an unfunded scheme, the member contributions are remitted to the Body's Sponsor Departments.

15.5 Deferred pension funding

In accordance with accounting practice for non-commercial State sponsored bodies in Ireland, InterTradeIreland recognises an asset representing resources to be made available by the UK and Irish Exchequers for the unfunded deferred liability for pensions on the basis of a number of past events. These events include the statutory backing for the superannuation schemes, and the policy and practice in relation to funding public service pensions in both jurisdictions including the annual estimates process. While there is no formal agreement and therefore no guarantee regarding these specific amounts with the funding bodies, InterTradeIreland has no evidence that this funding policy will not continue to progressively meet this amount in accordance with current practice. This treatment is inconsistent with accounting practice for UK Non-Departmental Bodies, where, due to the absence of a formal guarantee, a funding liability is not recognised until the commitment falls due.

The deferred funding asset for pensions as at 31 December 2020 amounted to £23,046,621 (€25,634,756) (2019: £16,284,940 (€19,141,318)).

	2020 £	2019 £	2020 €	2019 €
Opening balance at 1 January	16,284,940	12,766,671	19,141,318	14,271,862
Increase in Deferred Funding of Pension Asset	6,761,681	3,518,269	7,521,018	4,135,373
Difference on foreign exchange translation	-	-	(1,027,579)	734,083
	23,046,621	16,284,940	25,634,757	19,141,318



15.6 History of Defined Benefit Liabilities

	2020 £	2019 £	2020 €	2019 €
Deficit as at 31 December	23,046,621	16,284,940	25,634,757	19,141,318
Experience Loss	207,735	727,730	233,494	829,103
Percentage of Scheme Liabilities	0.9%	4.5%	0.9%	4.5%

The cumulative actuarial loss recognised in the Statement of Comprehensive Income amounts to £2,778,747 (€3,123,312).

16. Capital Commitments

16.1 Capital Commitments at 31 December 2020 for Which No Provision Has Been Made

	2020 £	2019 £	2020 €	2019 €
Contracted	-	-	-	-
Authorised but not contracted	-	-	-	-
Total	-	-	-	-

16.2 Other Commitments

This commitment relates to letters of offer and delivery agent contracts of varying durations which were issued prior to the year end,
and which relate to future years. They arise principally in respect of Acumen and Fusion, less grant payments already paid or accrued

and which relates to letters of other and delivery agent contracts of varying durations which were issued prior to the year end, and which relate to future years. They arise principally in respect of Acumen and Fusion, less grant payments already paid or accrued for at the year-end.

	Commitments at 31 Dec 2020 for Expenditure in 2021	Commitments at 31 Dec 2020 for Expenditure in 2022	Commitments at 31 Dec 2020 for Expenditure in or after 2023	Total £
	£	£	£	£
Profile of Other Commitments by Year - Sterling	8,057,532	2,566,023	3,548,259	14,171,814
	€	€	€	€
Profile of Other Commitments by Year - Euro	8,962,393	2,854,187	3,946,729	15,763,309

17. Contingent Liability

Two employment tribunal cases in the cases of McCloud and Sargeant were brought against the UK Government in relation to possible discrimination in the implementation of transitional protection following changes made to public service pension scheme legislation in the UK in 2015.

In December 2018, the Court of Appeal ruled that the transitional protections gave rise to unlawful discrimination on the basis of age. The UK Government requested leave to appeal this decision to the Supreme Court, however the request was denied on 27 June 2019

The Department of Finance (Northern Ireland) continues to liaise with HM Treasury for proposals to address age discrimination in the wider public service schemes as a consequence of the McCloud ruling. The Departments' public service pensions consultation to remove the discrimination identified by the courts in the 2015 pension reforms closed in November 2020 and the outcome of the consultation was published on 25 February 2021. Details of the consultation response are available at https://www.finance-ni.gov.uk/publications/response-consultation-proposed-changes-transitional-arrangements-2015-schemes.

The rectification process is expected to be long and time-consuming, and will need to address fairly the issue of pension accruals since 2015 and where individuals may have been better off in new schemes. In this regard certain staff of InterTradeIreland, who are scheme members of the North South Pension Scheme, may need to be compensated for any discrimination suffered as a result of the transitional protections.

Quantifying the impact of the judgement at this stage is difficult as it will depend on the compensation awarded, members' future salary increases, length of service and retirement age, and whether (and when) members withdraw from active service. The terms of any possible settlement will require further consideration which will need approval by both the Department of Finance (Northern Ireland) and the Department of Public Expenditure and Reform (Ireland).

On this basis, no provision has been made in the accounts for the McCloud/Sargeant judgement.

The North South pension scheme actuary estimates that any compensation payable by InterTradeIreland will be up to £300,000 (2019:£200,000) as at 31 December 2020.

18. Related Party Transactions

The Trade and Business Development Body is a cross border implementation body sponsored by the Department for the Economy 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 InterTradeIreland has had various transactions with these departments and with other entities for which the Department for the Economy or the Department of Enterprise, Trade and Employment are regarded as a parent Department. There were also transactions with Construction and Procurement Delivery, which is an executive agency of the Department of Finance.

(i) Transactions Involving Senior Management None

(ii) Transactions Involving Board Members a) Beneficial Interests

The Body works with many private sector organisations including organisations in which Board Members may have a beneficial interest. Silver Hill Ducks Limited, of which Mr Micheal Briody is Managing Director, is a partner in a project funded by the Co-Innovate Programme but will not receive any payment of grant. Aine's Chocolates Limited, of which Ms Ann Rudden is a shareholder and director, received direct grant funding of €8,462 (£7,528) as a result of its participation in the Co-Innovate Programme. Mr Richard Kennedy is a shareholder and Director of Devenish (NI) Limited. A subsidiary company of Devenish (NI) Limited is a partner in a project funded by the Co-Innovate Programme.

b) Non Beneficial Interest

The Body also works with many public/private funded organisations with whom joint projects and transactions have been undertaken during the year.

Mr Ken Nelson, the Chairman of the Body, is CEO of LEDCOM, a member organisation of Enterprise Northern Ireland Limited, which is a Delivery Partner of the Co-Innovate Programme. Until 31 March 2020 he was a Board Member of Invest NI, which funded businesses participating on Phase IV of the Acumen programme, as detailed in Note 7 of the accounts. Dr Conor Patterson is CEO of Newry & Mourne Co-operative and Enterprise Agency, and a Director of Enterprise NI Limited, which are Delivery Partners of the Co-Innovate Programme. Mr Paul Greenfield, who completed his term as a Board member on 12 December 2020, is a member of the Peace IV Working Group, led by SEUPB, the Managing Authority for the Co-Innovate Programme.



(iii) North South Pension Scheme

InterTradeIreland pays for certain pension administration costs on behalf of the other North South Bodies, and then recharges these Bodies for the costs attributable to them, which are advised by the Scheme Administrators. In 2020, a total of £189,096 (2019:£163,806) was recharged to the other North South Bodies in respect of these pension administration costs.

19. Obligations Under Leases

At the year-end the Body had total commitments under operating leases as follows

	Land & Buildings			Others				
	2020 £'000	2020 €'000	2019 £'000	2019 €'000	2020 £'000	2020 €'000	2019 £'000	2019 €'000
Within one year	120	134	115	135	1	1	1	1
In two to five years	481	535	461	542	1	1	2	2
Over five years	90	100	202	237	-	-	-	-
TOTAL	691	769	778	914	2	2	3	3

In accordance with FRS 102, the amounts represent the total commitment payable under operating leases.

Lease payments recognised as an expense in Note 6 of the accounts amounted to £121,517 (€136,585) excluding VAT.

20. Losses and Special Payments

There have been no losses or special payments.

21. Financial Instruments, Liquidity, Interest Rate and Foreign Currency Risk

21.1 Financial Instruments

Due to the non-trading nature of its activities and the way the InterTradeIreland is financed, the Body is not exposed to the degree of financial risk faced by business entities. InterTradeIreland 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.

21.2 Liquidity, Interest rate and Foreign Currency Risk

InterTradeIreland's net revenue resource requirements are almost entirely financed by resources voted annually by the Assembly and the Oireachtas, as 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.

InterTradeIreland's transactions are effected in the currencies of each part of Ireland, with realised gains and losses being taken to the Income Statement. As the Body receives two thirds of its funding from DETE(Ireland), in Euro, yet discharges the majority of its transactions in sterling it is exposed to foreign currency risk.

22. Post Balance Sheet Events

Covid-19 Pandemic - At the date of approval of these accounts, InterTradeIreland is continuing to follow government and public health advice by working remotely to deliver services. The Body's response to the Covid-19 situation aims to ensure that whilst working remotely, it will continue to maintain a high level of corporate governance and compliance with existing policies and procedures. A number of new supports were launched in 2020 in response to Covid-19, with the financial support of the Sponsor Departments, to assist businesses to adjust to the challenges of the pandemic.

23. Approval of Accounts

The accounts were approved by the Board on 25 May 2021.

The Accounting Officer authorised the issue of these accounts on 9 August 2021.



Appendix A InterTradeIreland

ACCOUNTS DIRECTION GIVEN BY THE NORTHERN IRELAND DEPARTMENT FOR THE ECONOMY AND THE IRISH DEPARTMENT OF ENTERPRISE, TRADE AND EMPLOYMENT WITH THE APPROVAL OF THE FINANCE DEPARTMENTS, (DEPARTMENT OF FINANCE AND DEPARTMENT OF PUBLIC EXPENDITURE AND REFORM) 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 calendar year, and the state of affairs as at the year-end. Subject to this requirement, the Body shall prepare accounts for the calendar year ended 31 December 2020 and subsequent calendar years in accordance with:

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

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

Signed by authority of the:

Department for the Economy

Trevor Connolly

Dated 4 June 2021

Department of Enterprise, Trade and Employment

Muligan

Dermot Mulligan

Dated 3 June 2021







InterTradeIreland is a cross-border trade and business development body funded by the Department of Business, Enterprise and Innovation in Ireland and the Department for the Economy in Northern Ireland. It is the only organisation which has been given responsibility by both governments to boost North South economic co-operation to the mutual benefit of Northern Ireland and Ireland. InterTradeIreland supports businesses through innovation and trade initiatives to take advantage of co-operative opportunities improving capability, driving competitiveness, economic growth and job creation.

InterTradeIreland will endeavour to facilitate requests for alternative formats of this publication including Irish Language, Ulster Scots, Braille, disk and audio cassette.

For more information, please contact: Communications Department Telephone: 028 3083 4100 (048 from Ireland) Textphone: 028 3083 4169 (048 from Ireland) Email: equality@intertradeireland.com

InterTradeIreland

The Trade and Business Development Body The Old Gasworks Business Park Kilmorey Street, Newry, Co. Down, BT34 2DE

Tel: 028 3083 4100 (048 from Ireland)
Fax: 028 3083 4155 (048 from Ireland)
Textphone: 028 3083 4169 (048 from Ireland)
Email: info@intertradeireland.com
Web: intertradeireland.com

Published: March 2022

