

2016  
ANNUAL REVIEW OF  
ACTIVITIES AND  
ANNUAL ACCOUNTS



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**Ken Nelson**  
Chairman

## Chairman's Introduction

At the end of 2016 I was honoured to take up the position of Chairman of InterTradelreland.

Throughout my career, my passion and work has been supporting entrepreneurship and small business growth. This is very much in tune with the vision and mission of InterTradelreland.

Having been in existence for almost 18 years, InterTradelreland has an impressive track record of providing a service that meets the needs of local businesses. My board colleagues and I want to build on our strong foundations so we can help businesses face the challenges and seize the opportunities of evolving economic conditions.

With the current fast-moving economic landscape and the triggering of Article 50, it is imperative that we are in tune with the changing needs of the companies we can assist. As an implementation Body, a key role for InterTradelreland is to work effectively with our partners to ensure we are positioned and resourced to respond quickly to support businesses as the implications of the Brexit negotiations emerge.

I know that my board colleagues and I are focused on meeting these needs as well as ensuring we have the capacity to respond to growing demand for our support in Ireland and Northern Ireland.

InterTradelreland is a relatively small organisation for

the range of work it carries out, which enables us to be flexible and responsive. The team is highly experienced and the Board is representative of business and economic life across the whole island, enabling access to all of their insights, which is invaluable.

At InterTradelreland, I believe that while we continue to offer a wide range of supports and services, we also need to use our unique position to act as a conduit of business information and intelligence, and help inform businesses' strategies to achieve the best possible outcomes post Brexit.

At the end of 2016, the final year of our three year Corporate Plan, we are currently on track to meet our goals of engaging with more than 8,219 companies and achieving £250m/€357m in additional business development value.

I would like to acknowledge all the good work carried out in 2016 and on behalf of the Board, I would like to thank the Chief Executive, his senior management team and all the employees for their dedication and their contribution to our performance in 2016.

I would also like to extend my thanks to Martin Cronin, my predecessor as Chairman, and my colleagues on the Board both past and present for their commitment to the organisation and for their support and advice throughout the year. In particular, I would like to acknowledge the support given by a former Board Member, Kevin Norton,

sadly recently deceased. My sincere thanks also to our partners in Enterprise Ireland, Invest NI, the Local Enterprise Offices and Northern Ireland local authorities and the many business organisations with whom we have worked so closely.

I would like to express my gratitude to the Government Ministers responsible for InterTradelreland during this period: Minister of Jobs, Enterprise and Innovation, Richard Bruton TD, and subsequently Mary Mitchell O'Connor TD, in Ireland; and Minister for the Economy Simon Hamilton MLA, in Northern Ireland. Both Departments have worked hard to support the organisation throughout the year.

These are significant times for InterTradelreland and our stakeholders. We are committed to doing all we can to help businesses survive and grow for the benefit of all our local communities.



**Thomas Hunter McGowan**

Chief Executive

## Chief Executive's Message

InterTradelreland's vision is to create an environment in which Ireland and Northern Ireland co-operate to ensure businesses are making full use of cross-border opportunities to drive competitiveness, jobs and growth, and I am confident that this will continue post Brexit. As we enter into the post Brexit era, we will be advising companies to develop close "value-adding" partnerships with customers and suppliers, and to develop clear and concise plans for their businesses that identify their objectives, critical processes, threats and opportunities - all will be vital to navigating the uncertainty that lies ahead. Our programmes continue to be relevant after the Brexit referendum and can help local businesses in both jurisdictions.

This report for 2016 outlines all of InterTradelreland's activities and performance for the year but I have picked out a few highlights below.

FUSION, InterTradelreland's innovation programme, is helping many companies in the current climate to re-invent themselves and make their businesses more competitive through new innovations. We envisage demand for this programme to grow post Brexit. A total of 59 projects commenced this year, each one creating a valuable graduate job. Also in 2016, companies that had previously completed FUSION projects reported a business value of £22.6m/€32m and a jobs impact of 575.

Our trade development programmes, Acumen and Elevate, have also attained excellent results this year, both designed to stimulate cross-border business for SMEs. Acumen supported 115 organisations whilst Elevate supported 84 companies. Between them a business development value of £18.4M/€26.2M has been achieved and a jobs impact of 496. In January, a pilot programme was launched: 'The Export Knowledge Programme,' in partnership with the Irish Exporters Association. The idea behind the programme was to increase the capability of 20 companies to export through an initial export readiness assessment. The pilot has proved successful and it is intended to run the programme again.

The Funding Advisory Service, aimed at start up and established businesses to improve their ability to raise finance, underwent another busy year. The annual Venture Capital Conference attracted over 270 delegates. The Seedcorn Competition received 300 registrations resulting in 211 applications with the competition to date reporting a total of £4.3m/€6.1m in new equity raised from past Seedcorn participants. The popular 'Meet the Funder' events held in Belfast and Dublin this year, and subsequent funding advisory clinics and workshops, have had 950 participants.

Our quarterly Business Monitor Survey remains the largest and most comprehensive business survey on the island covering business owners' views in both Northern Ireland and Ireland with interviews conducted with 750 SMEs. By Quarter 3, 2016, the Monitor has built up almost 10 years

of data, tracking all-island economic indicators such as sales, employment, business outlook and engagement in cross-border trade and exporting. The inclusion of a Brexit section will help InterTradelreland to continue to monitor the impacts of Brexit on companies surveyed, and information gathered will help us to adapt our supports and services accordingly.

In 2016 InterTradelreland has recorded some truly impressive successes and together we look forward to the challenges and rewards that 2017 will bring. I would like to thank the Board and the InterTradelreland team, whose enthusiasm and dedication drives the organisation forward.





# BOARD MEMBERS



**Martin Cronin**

(Term expired  
12th December 2016)

## Board Members 2016

During 2016 InterTradelreland had an Executive Board consisting of 12 members appointed by the North South Ministerial Council.

4 board members' appointments expired on 12th December 2016 – Martin Cronin (Chairman), Jack Gallagher, Timothy Mayes and Kevin Norton.

4 new board members were appointed on 13th December 2016 – Ken Nelson (Chairman), Micheál Briody, Ann Rudden and Tim Cairns.

## Martin Cronin CHAIRMAN

Martin Cronin was Chief Executive of Forfás, the Republic of Ireland's national enterprise and science policy research agency, from 2002 until 2009.

He is a Board member at Appian Asset Management, the Tyndall National Institute and the Irish Academy of Engineering, and Chairman of the Connacht Ulster Alliance Steering Group.

He has been a Board member at the Institute of Public Administration, Dublin, and at the Higher Education Authority, Dublin, a member of the Irish National Competitiveness Council and the Advisory Council for Science, Technology and Innovation.

From 1994 until 2002, he was Director of Operations in IDA Ireland, the agency responsible for the promotion of Foreign Direct Investment into the Republic of Ireland. During that time his responsibilities included the IDA project groups which work with visiting companies to secure investment decisions, IDA's Overseas Marketing network and its Information Technology and Marketing Services Groups.

Prior to joining IDA, Martin worked in Tinsley Wire in the production of wire and fencing products. He has also worked with General Electric in the manufacture of power transistors and in the Electricity Supply Board.



**Ken Nelson**

(Appointed  
13th December 2016)

## Ken Nelson CHAIRMAN

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 25 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 three 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 the Northern Regional College and 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 a local newspaper.

In April 2012, he was appointed to the Board of Invest Northern Ireland by the Northern Ireland Minister for Enterprise, Trade & Investment. He was re-appointed to the Board of Invest NI in April 2015. In December 2016, he was appointed as Chairman of InterTradelreland by the North South Ministerial Council.



**Joanne Spain**

(Held Vice Chair until December 2016)

## Joanne Spain VICE CHAIR

A graduate of Trinity College Dublin, Joanne Spain has worked in the field of politics and economics for over thirteen years. As economic advisor to the Sinn Féin Oireachtas team, she was responsible for producing the party's finance policies and budgetary responses, while working out of Leinster House in Dublin.

Joanne's specialist concentrations were in tax and job creation and her work involved engagement with the Department of Finance and relevant Dáil committees. Joanne has been the Vice Chair of InterTradelreland for the past five years (until December 2016) and is Chair of its Audit and Risk Assurance Committee. She is now a full-time author, with her best-selling crime fiction books published by Quercus, London.



**Paul O'Sullivan**

(Appointed Vice Chair in December 2016)

## Paul O'Sullivan VICE CHAIR

Paul O'Sullivan is a former Director and Dean of the College of Business in the Dublin Institute of Technology. He has served as a member of the Higher Education Authority of Ireland and is currently a member of the Board of Solas, the government body for policy, strategy, financing and direction of all Further Education, Apprenticeship and Industrial Training in the Republic of Ireland.

Paul has been a Director of the Bolton Trust (1992-2012), a registered charity devoted to fostering high tech graduate entrepreneurs and he was the first Chairman of the Small Enterprise Seed Fund. He has published in the areas of Marketing Communication, Sponsorship and Business Planning for SMEs. He has acted as Marketing Advisor to a number of public bodies and chaired a major Marketing Review for the GAA.

He has served on the Board of a number of media companies and software start-ups. In December 2016, he was appointed as Vice Chair of InterTradelreland by the North South Ministerial Council.



**Jack Gallagher**

(Term expired  
12th December 2016)

## Jack Gallagher

Born in Belfast, Northern Ireland, in 1940, Jack Gallagher is a graduate of Stranmillis College, Belfast; the Open University; and Queen's University, Belfast. On his retirement in 1993 he had enjoyed thirty two years working as a teacher and as Vice Principal/Principal of Lisnasharragh High School in South East Belfast (1979-1993).

In the period from 1979-1998 Jack represented FIFA as Honorary Instructor and Technical Adviser for Coach Education. This involved activity on behalf of FIFA in association with Government Sports Commissions, National Governing Bodies, Coca-Cola Asia, Adidas and the International Olympic Committee in thirty-five countries worldwide.

In 1998 he was awarded the Merit/Excellence Award of the PR China FA for services to Football Development in twenty-five cities in PR China over a thirteen year period.

From 2000-2007 Jack was employed at different periods in the Northern Ireland Assembly as Special Ministerial Adviser and Senior Assembly Assistant at Stormont. These positions involved working in a supporting role to deal with complex problems, offering advice and influencing strategic direction in an environment characterised by rapid political, structural and cultural change.



**Kevin Norton**

(Term expired  
12th December 2016)

## Kevin Norton

Kevin Norton is Chief Executive of Basta Parsons Limited. He was educated at Newbridge College and is a Commerce graduate of UCD. After qualifying as a Chartered Accountant, he worked in industry for 10 years before setting up his own Accountancy practice.

His involvement with Basta began when he advised on a management takeover in 1984 – the first BES Scheme in Ireland. In 1990, when BASTA was on the verge of liquidation, he initiated a rescue, which led to him becoming Chairman and Chief Executive.

Basta is now the leading supplier of builder's hardware in Ireland. Since 1990, Basta has made 3 acquisitions in Britain. These acquisitions enabled it to develop exports from Ireland, have a wider geographic spread of sales and larger portfolio of products. Today, 60% of its sales are outside Ireland. Kevin is also currently the Chairman of Alzheimer Society of Ireland.

*Sadly Kevin Norton passed away in January 2017.*



**Timothy Mayes**

(Term expired  
12th December 2016)

## Timothy Mayes

Timothy Mayes was born and brought up in Gilford, County Down, after obtaining an Honours Degree in Law at Queens University Belfast he was admitted as a Solicitor in 1983.

He commenced his own practice in Portadown in 1990 and experienced considerable growth during the course of his tenure as Principal. In 2010 he joined forces with another practice and retained the post of Consultant within the new practice. In addition to carrying on his legal practice, over the years he has served on the boards of three property companies. He is currently a director in the Gilford Regeneration Company as well as being active within the local Residents Group. These organisations aim to improve matters relative to the village of Gilford.

He is an expert on all island transport matters particularly the rail system and has had a long standing commitment to the Two-Tier Dickson Plan for Education in the Craigavon Area which entails transfer at age 14. He also sits on the Exceptional Circumstances Body of the Department of Education as a Legal Chairman.

Outside of this his main interests centre around Church Outreach Work, Irish History from 1900 to 1926, football and Ulster-Scots Culture.



**Rosemary Delaney**

## Rosemary Delaney

For over two decades Rosemary has worked in the media industry, rising to Managing Director level.

In 2006, she launched her own multi-media business, WMB Publishing and the business website, Womenmeanbusiness.com, a platform for female entrepreneurs and businesswomen. A year later, she launched the very successful annual WMB Conference & Awards. Rosemary has been a past Chairman and Director of Magazines Ireland. She sat on the Steering Committee to establish a Press Council and subsequently sat on the first Press Council of Ireland.

In 2011, her first book aptly named, *'Women Mean Business - One Woman's Journey into Entrepreneurship'*, was released. In 2014 she joined the Board of InterTradelreland.



**Professor Terri Scott**

## Professor Terri Scott

Professor Terri Scott took up appointment as Principal and CEO of Northern Regional College in September 2014. The college has 6 campuses with 20,000 students, 1000 staff and an annual operating income of £35m. Prior to her current role she was President of the Institute of Technology, Sligo (2008-2014).

She has held senior management positions at Dublin City University, University of Ulster and also visiting appointments at Carnegie Mellon University and MIT in the USA. Terri joined Invest NI in 2002 as Managing Director responsible for entrepreneurship, the IT and biotech clients and the property portfolio.

Terri is an experienced Non-Executive Director having held various Ministerial and Board appointments in the UK and Ireland. She was a Director of IDA from 2005-2010 and is currently a Board member of The Office of Qualifications and Examinations Regulation (OFQUAL) (UK) and InterTradelreland.



Terry Crossan

## Terry Crossan

Terry Crossan worked for many years in the Licensed Trade industry with the Garvan O'Doherty Group. Now semi-retired, he works part-time as a Security Advisor for music events and festivals.

He served on the Board of Foyle, Carlingford and Irish Lights for 10 years including 3 years as the Chair of the Board. He was also on the Board of Bogside Brandiwell Initiative for several years as well as serving on the Board of Cooperation Ireland for 4 years.



Patrick Joy

## Patrick Joy

Patrick Joy is the founder of Suretank Group and was the 2013 Irish EY Entrepreneur of the Year. He is a Chartered Mechanical Engineer (University College Dublin, 1974) and also has an MBA (Trinity College Dublin, 1988). Married to Mary, they have 5 children and 2 grandchildren, and live in Baltray, Co. Louth.

Patrick recently hired a new CEO for Suretank and has stepped back from his previous full-time role of managing his business. He devotes his time to mentoring and investing in new start-up businesses and he is a director of a number of companies including Suretank Group where he retains a significant shareholding.

Outside of his business interests, Patrick is a member of Engineers Ireland, EO – The Entrepreneurs Organisation, Boyne RFC, Royal Dublin Society and Co. Louth Golf Club. He is also a council member of the Irish Exporters Association.





Cllr Paul Greenfield

## Cllr Paul Greenfield

Paul Greenfield was elected to Armagh City, Banbridge and Craigavon (ABC) Borough Council in May 2014. He is currently Deputy Lord Mayor of the ABC Council and serves on the Economic Development and Regeneration Committee and also the Leisure Services Committee.

Paul has 20 years' experience working in the retail motor industry in some of Northern Ireland's leading dealerships. He currently manages 3 new car franchises and a used car department. Paul has enjoyed numerous successes throughout his career including a Customer Quality award, ranking top in the UK.

He is Board member of East Border Region, Vice Chairman of his local DUP branch and Co-Chair of the Peace IV Partnership Board. Paul is married, with 3 young children, and lives in Waringstown.



James Spratt

## James Spratt

James Spratt has worked all his life in the public sector and has extensive knowledge of local and central government. He served on Castlereagh Council from 2005 to 2013 serving on many committees and bodies. He was Chairman of the Northern Ireland Joint Council representing the 26 councils and also served on the National Joint Council.

James also 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 - 2014) and Chairman of the Assembly Executive Review Committee 2008 - 2011. He also served on the Committee of First & Deputy First Minister from 2007 to 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 Spratt is married with 4 grown up sons and 7 grandchildren.



**Micheál Briody**

(Appointed on  
13th December 2016)

## Micheál Briody

Micheál Briody, FCMA, is the CEO of Silver Hill Farm which is the Irish-owned leading producer of premium duck worldwide. The company has operations north and south of the border, exports to 24 countries and employs over 200 people.

Micheál is also Chairman of the GAA's Club Player Association which acts as the voice for all GAA club players in 32 counties.



**Tim Cairns**

(Appointed on  
13th December 2016)

## Tim Cairns

Tim Cairns is Wales and Northern Ireland Director for 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 engaged widely in development, implementation and advocacy, across a range of diverse policy areas.



**Ann Rudden**

(Appointed on  
13th December 2016)

## Ann Rudden

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, 2 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 [as well as 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 County Council.



# ORGANISATION PROFILE

# Senior Leadership Team



Thomas Hunter McGowan

## Thomas Hunter McGowan CHIEF EXECUTIVE

Thomas joined InterTradelreland in 2012 as Chief Executive Officer and is based at the InterTradelreland offices in Newry. Prior to this appointment he worked for a short period with Kildare County Council and the Local Government Efficiency Group but is best known for successfully running Swansea Cork Ferries Ltd as Managing Director for eighteen years where he was also the majority shareholder. He was a board member of the Cork Chamber of Commerce and served for two terms on the board of Chambers Ireland. [He was also a board member on a number of other companies and bodies.]

Thomas holds a Bachelor of Commerce from University College Dublin and a Master of Commerce from University College Cork. He is also a Fellow of the Chartered Institute of Management Accountants and an Associate of the Institute of Chartered Secretaries and Administrators.



Aidan Gough

## Aidan Gough STRATEGY AND POLICY DIRECTOR

Aidan Gough, in his role as Strategy and Policy Director, advises on collaborative strategy, policy and initiatives to help InterTradelreland in boosting North/South economic co-operation to the mutual benefit of both economies on the island.

Aidan leads InterTradelreland's policy and research team to identify areas where joint Government intervention can help to create an environment where it is easier to do business and increase the competitiveness of individual businesses and the island in the global economy. Aidan is a graduate of Queen's University, Belfast with an MBA and MSc in Economics. Prior to joining InterTradelreland in 2000, Aidan was Director of the Northern Ireland Economic Council.



Laurence Lord

## Laurence Lord

### CORPORATE SERVICES DIRECTOR

Laurence joined InterTradelreland in 2001 and leads the Corporate Services Directorate in supporting and promoting the Body's activities.

He spent twelve years working in Australia and several countries in southern Africa in senior roles in the financial services, dairy and security sectors. He also spent two years with a humanitarian organisation focusing on refugee resettlement in Zambia. Laurence worked for several years in financial management and professional development roles in Ireland where he was the course director of a professional accounting programme.

A Chartered Management Accountant and graduate of Trinity College Dublin, Laurence took his MBA at Henley Management College and has a Graduate Certificate in Information Technology from Dublin City University.



Margaret Hearty

## Margaret Hearty

### DIRECTOR OF PROGRAMMES AND BUSINESS SERVICES

Margaret is responsible for leading the development and delivery of InterTradelreland's suite of programmes and business services. InterTradelreland provides financial assistance and support to businesses across the island. InterTradelreland's support is centred around Trade and Innovation including helping companies to access new markets, develop new products and processes and raising early stage finance.

Margaret is a business and marketing graduate. She completed an MBA in 2004. Margaret's career to date has focused on supporting the development of SME's and early stage companies. She led the development of InterTradelreland's Equity Network Programme. She was appointed to her current position in December 2009.

# Directorates

## Operations Directorate

The Operations Directorate is responsible for the delivery of a range of business programmes in the areas of Science, Technology and Innovation, Sales and Marketing and Business Capability Improvement. The Science, Technology and Innovation programmes help create partnerships between businesses (that are working to create new products and processes) and the third-level institutions and other commercial partners that have the knowledge and expertise required for success.

The Sales and Marketing Programmes assist companies that want to increase their profitability through exploitation of the all-island market and through collaborative ventures into international markets. This includes direct financial support, access to customised buyer-supplier events and developing an awareness of public procurement opportunities north and south.

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. Additionally, it offers a range of services to help businesses to improve their capabilities through collaboration including reducing their distribution costs, improving their ability to tender successfully for public sector business on an all-island basis and to raise equity finance.

## Strategy and Policy Directorate

The Strategy and Policy Directorate is responsible for the definition of the organisation's strategic plans and its programme policies. The Directorate manages close working relationships with external business and policy organisations and with the other economic development agencies on the island.

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.

## Corporate Services Directorate

The Corporate Services Directorate consistently adds value to InterTradelreland 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 2016

# Strategy and Key Performance Indicators

## Vision, Mission and Strategic Goals

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

Our Mission is to support businesses, through our innovation and trade initiatives, to take advantage of North South co-operative opportunities to impact capability, and drive competitiveness, jobs and growth.

The approach of InterTradelreland 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 and 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.

### The Strategic Framework shows 2 core goals:

1. Drive job creation
2. Deliver a Return on Expenditure of 9:1

## Key Performance Indicators

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

### Key Performance Indicators (KPI's) for 2014 -2016 are:

- Key Performance Indicator 1 - Companies engaged in North South Business
- Key Performance Indicator 2 - Total Jobs Impact
- Key Performance Indicator 3 - First Time Exporters
- Key Performance Indicator 4 - First Time Innovators

Targets against these Strategic and Key Performance Indicators above are set within the organisation's Annual Business Plans and reported each year. The 2016 Business Plan Performance Report in the next section provides quantitative and qualitative data on our operational programmes and our business and economic research reports, work within the North South policy and operational secretariats with which we are engaged and the online services that we have created and are delivering.

Indirect Impact Measures reflect the medium to longer term impact of InterTradelreland's programmes and initiatives. These include improved co-operation-driven business capability and competitiveness, increased business flows, increased knowledge flows and innovation, and increased levels of North South trade.

# Performance Report

This 2016 Annual Report details the performance of the third year of InterTradelreland's Corporate Plan 2014-2016

## Business Plan Targets

### Strategic Performance Indicator

[Total Business Value Achieved]<sup>1</sup>

Target: £53M/€76M total value of reported trade and business development activity generated by firms engaged on our co-operative North South Trade and Innovation programmes and our all-island business networks.

### Strategic Performance Indicators

[Return on Expenditure]<sup>2</sup>

Target: 9:1 The ratio of Business Value Generated by InterTradelreland programmes against the cost of delivering those programmes.

### Key Performance Indicator 1

[Companies engaged in North South Business]

Target: 2,665 additional 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: 1100 jobs; new jobs created plus existing jobs protected as a direct result of company participation on an InterTradelreland programme.

### Key Performance Indicator 3

[First Time Exporters]

Target: 50 companies to become first-time exporters through participation on an InterTradelreland Trade programme.

### Key Performance Indicator 4

[First Time Innovators]

Target: 56 companies to become first-time innovators through participation on an InterTradelreland Innovation programme.

<sup>1</sup> €1=£0.70 (2016 Business Planning Guidance from DPER (Ireland) & DFP (Northern Ireland)). Business Value is reported as an aggregation of impacts from our portfolio of programmes and incorporates Additional Revenue Generated, Efficiency Savings and Investments Leveraged as a direct result of a company's participation on an InterTradelreland programme.

<sup>2</sup> Return on Expenditure is the ratio of Business Value Generated by InterTradelreland programmes against the cost of delivering those programmes. Business Value is captured through InterTradelreland monitoring activities and independent evaluations and is based on business values reported directly by individual companies that have previously completed our programmes.

# 2016 Performance against Business Plan Targets

**Table 1: 2016 Performance against Business Plan Targets**

Balanced Scorecard Reference	Measure	2016 Target	2016 Performance
<b>Stakeholder Value</b> Contribute to Sponsor Department economic policy objectives in Ireland and Northern Ireland.	<ul style="list-style-type: none"> <li>Return on Expenditure</li> <li>First Time Innovators</li> <li>First Time Exporters</li> <li>Total Jobs Impact</li> <li>Efficiency Savings</li> </ul>	9:1 56 50 1100 4%	17:1 79 88 2339 4%
<b>Customer Value</b> Increase the number of companies benefiting from North South business.	<ul style="list-style-type: none"> <li>Number of companies engaged in North- South business through InterTradelreland Trade and Innovation Activities &amp; Services.</li> <li>Total Business Value achieved through InterTradelreland Trade and Innovation Activities &amp; Services.</li> </ul>	2665  £53M/€76M	2399  £101M/€144M

## Key Achievements for Year 3 of the 2014- 2016 Corporate Plan

- Total Business Value <sup>3</sup> Achieved [& Return on Expenditure]. 2016: £101M/€144M<sup>4</sup> [17:1]<sup>5</sup>
- We have provided North South business information and advice to 2,399 companies.
- 459 companies have participated on our North South Trade and Innovation programmes.
- Companies on our Trade and Innovation programmes have reported that 2,339 jobs have been created or protected as a result of their participation.
- 88 firms have become first time exporters.
- 79 firms have become first time innovators.
- Four Business Monitor reports have been published.
- We continue to support micro-businesses and SMEs in the development of innovation and export capability. We have designed a range of trade and innovation programmes that use cross-border collaborative opportunities to enhance firms growth prospects: Innovation programmes such as FUSION, Challenge and Funding for Growth, and Sales and Marketing programmes such as Acumen, Elevate and Go-2-Tender.
- All our activities continue to be based on sound economic research.
- We have achieved Efficiency Savings of 4%.

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<sup>3</sup> Business Value is reported as an aggregation of impacts from our portfolio of programmes and incorporates Additional Revenue Generated, Efficiency Savings and Investments leveraged as a direct result of a company's participation on an InterTradelreland programme. Business Value is captured through InterTradelreland monitoring activities and independent evaluations and is based on business values reported directly by individual companies that have previously completed our programmes.

<sup>4</sup> €1=£0.70 (2016 Business Planning Guidance from DPER (Ireland) & DFP (Northern Ireland)).

<sup>5</sup> Independent evaluations of the Innovation Challenge Programme and the Innova Programme have added an additional £25m to the 2016 BDV, Return on Expenditure reduces to 12:1 when these returns are excluded.

# Programme Area Report

## Trade

### Acumen

Acumen is a trade programme designed to stimulate cross-border business for SMEs. In 2016 a total of 133 companies applied to the programme resulting in 115 approvals which exceeded the target of 112 approvals. During 2016 companies that had previously completed Acumen projects reported a business value of £16.7m /€23.8m and a jobs impact of 420.

### Elevate

Elevate is a programme focused on helping micro enterprise to take the first steps in exporting and explore opportunities in a new cross-border market. In 2016 the programme received 253 enquiries from SMEs and 119 applications which resulted in 84 companies being approved for support. Monitoring of companies in 2016 that have previously completed Elevate projects has identified a business value of £1.7m/€2.4m and a jobs impact of 76.

In January 2016, the Export Knowledge Programme was launched. This is a pilot collaboration between the Irish Exporters Association and InterTradelreland which utilizes the experience and expertise gathered by InterTradelreland in helping SMEs take their first steps to exporting in a cross border context. This two-phase programme has assisted 20 SMEs to increase their capability to export through an initial export readiness assessment. Following this process the successful SMEs proceeded to the second phase of the programme and

participated in a series of learning/mentoring workshops over a six-month period. All of the workshops were delivered by market participants (some from the sponsor group) or consultants specifically working in that field. This has proven to be hugely successful as the in-depth knowledge of the subject matter was evident and was delivered in a commercial and focused manner. It is intended to run the programme again, largely in the same format, as this has proven to be both relevant to and focused on the needs of the SME exporting community.

### Tendering

Go-2-Tender provides businesses with the confidence, knowledge and skills to tender successfully for public sector contracts. Public Procurement, a market worth £10.5bn/€15bn annually, provides a very important business opportunity for SMEs.

A 'Meet the Buyer' event was delivered in Belfast on 8th June, where the importance of public tendering to the island's SME community and the potential opportunities presented by participating Buyer organisations was showcased. A total of 494 suppliers attended, and the 119 buyers present (27% increase on 2015) represented over 40 buying organisations. All of the new Local Authorities in Northern Ireland attended the event and this will be a feature going forward in 2017.

Following discussion with the Office of Government Procurement, a regional-based 'Meet the Buyer' event took place at Cork City Hall on 19th October with 240 SMEs and 75 buyers, and a further health sector-specific

event took place in Galway on 2nd December with 100 SMEs and 20 buyers. Working in partnership with Invest NI, Enterprise Ireland and UK Trade and Investment, a supply chain conference for the Water Industry (including Waste) was held on 28th September in Templepatrick. The focus was on tender and export opportunities and was attended by over 100 SMEs.

In 2016 a total of 12 standard Go-2-Tender workshops were delivered with an overall attendance of 163 companies; in addition, half-day mentoring has been delivered to over 70% of participating companies. InterTradelreland has been working with the Local Government Strategic Procurement Board in Ireland to deliver workshops to SMEs on the procurement environment changes including Office of Government Procurement frameworks and pipelines and low value threshold opportunities. Four presentations have been delivered and work is progressing with the LEOs to

increase SME participation through this introduction version of the programme. A total of 19 half-day workshops have been delivered. Data collected in 2016 from companies that had undertaken Go-2-Tender workshops in 2013 identified a business value of £12m/€17.1m and a jobs impact of 594.

## Science, Technology & Innovation

### FUSION

FUSION is InterTradelreland'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.



*One of the FUSION graduations in 2016*

FUSION is helping many companies in the current economic climate to re-invent themselves and re-build their businesses as well as helping other companies to lead their sectors and industries through new innovations. Over 80% of FUSION graduates are offered jobs by their host companies and many of these continue to lead innovation projects in the respective businesses.

In 2016 the FUSION team has dealt with over 380 enquiries and InterTradelreland has approved 59 projects for support. A total of 53 graduate jobs have been created to date this year through projects commencing. In 2016 companies that had previously completed FUSION projects reported a business value of £22.6m/€32m and a jobs impact of 575.



*Economy Minister Simon Hamilton MLA launches FUSION at company visit to Tyrone Fabrication Ltd, based in Ballygawley.*

### **Innova**

Innova is a unique cross-border collaborative Research and Development programme offering companies an opportunity to accelerate new product, process or service

developments through partnering with a company in the other jurisdiction. The current programme is in the final phase of delivery. An independent evaluation by Cogent Management Consultants has verified impact to date from companies who participated in Innova. The analysis identified a business development value of £13.1m/€18.7m and a jobs impact of 376. Monitoring of 5 companies this year identified a business value of £8.3m/€11.9m and a jobs impact of 18.

### **Challenge**

Challenge targets SMEs which aspire to ambitious growth through the development of a structured innovation process. The aim is to provide a cost-effective opportunity to embed a process which will help create, evaluate and commercialise ideas and deliver a step-change in company performance.

A three-year phase of the Challenge programme that will reach over 300 companies and provide intensive mentoring to 75 companies commenced in February 2014. By the end of 2016 over 300 companies had been engaged with and workshops have been delivered to over 95 companies. In 2016, 60 companies undertook intensive mentoring and support to help embed a proven, sustainable, repeatable innovation process. Monitoring of companies in 2016 that have previously undertaken the Challenge programme has identified a business value of £12.2m/€17.4m and a jobs impact of 232.



## 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, developing their investor readiness and supporting business angel networks.

InterTradelreland held its 15th annual Venture Capital Conference on Thursday 3rd March in The Ramada Hotel in Belfast. Kernel Capital, Crescent Capital and Mills



*Jonathan Bell MLA addresses the audience at the 2016 Venture Capital Conference in Belfast.*

Selig were once again event sponsors. A total of 273 delegates attended the event which was very well supported by the investor community. The keynote speaker was Brian Conlon, Founder of First Derivatives.

In April 2016 'Meet the Funder' events were held in Belfast and Dublin. The aim of the events was to share information on the range of sources of funding for growth

and allow established companies network with providers of funding. In 2016, 11 workshops and 21 advisory clinics have been held at various venues across the island with almost 1,001 participants.

Figures to end 2016 were £9.8m/€14m in 50 deals which leveraged an additional €20.5m investment. Syndicate groups continue to demonstrate capacity to close large deals and new syndicate groups continue to be developed including the new WxNW syndicate group based around the Western seaboard. Further work is ongoing to explore the opportunities that may exist for Irish and university Diaspora syndicates to be established. In 2016, a series of 27 regional equity advisory clinics were held in locations across both jurisdictions including Dublin, Belfast, Cork, Limerick, Sligo, Galway, Letterkenny and Waterford with 136 companies availing of advice from a venture capital professional on their fundraising plans and sign-posting to potential funding sources.

The 2016 Seedcorn Investor Readiness Competition was launched on 13th March. A total of 27 promotional workshops were held across the island with 218 companies attending, and of these 102 submitted an application. Overall the competition attracted a total of exactly 300 registrations, with 211 submitting an application form. Following assessment of initial applications 176 companies were invited to submit a full business plan. By the closing of 5th September 110 full business plans were submitted to the competition and following detailed scoring and feedback the top 24 companies were shortlisted to compete at the regional

finals in November 2016. In 2016 a total of £4.3m/€6.1m in new equity raised and a jobs impact of 48 has been reported by companies who were previous finalists in the competition. 6 Business Planning Workshops were held during June and July to help Seedcorn applicants and other companies prepare business plans. 4 Venture Capital Case Study workshops were held during April, May and June.



*Pictured is Martin Cronin, Chairman of InterTradelreland, presenting the Overall Winner of the 14th annual InterTradelreland Seedcorn Investor Readiness Competition to Dr Jerry Clifford, Dr Carolanne Doherty, Dr Terry McWade and Prof. David James of Dublin-based company Valitacell.*

A new pilot event was trialled in the first half of 2016. This initiative is aimed at incubation centre/early stage company programme managers and economic development agency staff. The 'Facilitate the Facilitator' events took place in Enterprise Ireland offices and Invest NI offices in May and June and attracted 18 and 13 attendants respectively. The events focused on term sheets, company valuations, share classes and a case study in the afternoon session. A further event held in December in Mullingar attracted 23 participants.

### Horizon 2020 Support Programme

InterTradelreland is helping companies and researchers from Ireland and Northern Ireland to collaborate in Horizon 2020, the European Commission's 7 year, €80billion, 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. As a result, the European Commission are encouraging participation from highly-innovative SMEs with a strong ambition to grow and internationalise, regardless of whether they are high-tech and research-driven or non-research conducting, social or services companies.

During 2016 InterTradelreland has continued to expand its Horizon 2020 activities with a view to increasing joint North South participation in the H2020 program. The data covering the call period January 2014 to October 2016 indicates that there have been 969 collaborative applicants, of which 152 have been successful (61 Northern Ireland and 91 Ireland) giving a 15.6% success rate which exceeds the EU average of 14.68%. These successful applicants have been involved in 50 separate projects securing €63.46m.

In the year up to October 2016, 16 cross-border partners received financial support from the InterTradelreland Horizon 2020 cross-border and EU Travel schemes. These schemes enable new cross-border meetings to take place between prospective partners, and support

North South partnerships working on new proposals to extend their consortium building activities in Europe. InterTradelreland is aware of at least 6 projects supported by these schemes that have achieved success, resulting in a jobs impact of 12. In addition, the H2020 Enquiry Service has provided information and advice to over 49 individuals about the programme. In the same time period, InterTradelreland delivered four H2020 'Focus On' events looking at opportunities around the Pre-Commercial Procurement calls, the Transport and Aviation, and Science With and For Society parts of the programme and the Rural Renaissance calls. The objective of Focus On events is to provide opportunities for North South engagement around specific topics in the H2020 programme. A further large event looking at Rural Renaissance took place on 20th October 2016.

The Competitive Partnerships for Horizon 2020 Programme continues to engage with and support North South applicants to Horizon 2020, offering an expert advisory service with a view to identifying additional resubmission opportunities. Of the participants who availed of support in the programme's pilot phase in 2015, there have been two successful resubmissions. Phase 1 of the programme has been open since April 2016. One application was resubmitted to the same area and the other was submitted to a new area of the programme. Both applications are being coordinated from Northern Ireland and these opportunities would not have been pursued outside of the pilot. The current programme is further extending linkages with the National Contact Points and research institutions.

Two successful advisory workshops, that were also open to local industry, were held at the Ulster University Jordanstown and Magee campuses in March 2016. UCD hosted a further workshop in November 2016 and NUIG in December 2016.

As well as actively participating at meetings held by the various groups associated with both support networks i.e. HLG, National Support Network, the NICP network and NI H2020 Steering Panel, the All-Island Steering Group chaired by InterTradelreland also met three times in 2016. InterTradelreland has also produced two case studies for the FLOTEC and SENSECARE projects to showcase the benefits of working on a North South basis, supporting business angel networks.

### **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 US-Ireland R&D Partnership steering group met on 1st July and reported significant progress. To date a total of 35 projects have been awarded funding which represents a combined investment value of €60m or £51m or \$63m. This is an increase of eight successful projects from the previous period ending November 2015. The sources of funding include the US National Science Foundation and the National Institutes of Health, Science

Foundation Ireland (SFI) and the Health Research Board (HRB) in Ireland, and, in Northern Ireland, Health and Social Care R&D, in partnership with the Medical Research Council, the Department for the Economy and Invest NI.

Following the extension of the Partnership to include agriculture research in November 2015 the U.S. Department of Agriculture's National Institute of Food and Agriculture published in May 2016 details of the call inviting U.S., Ireland and Northern Ireland researchers to submit collaborative research applications. The research priority areas include:

- Pests and Beneficial Species in Agricultural production Systems;
- Animal Nutrition, Growth, and Lactation; and
- Animal Health & Disease
- Call deadlines occurred in July 2016 and a total of 13 US-Ireland submissions were made. These proposals are undergoing competitive peer review and details of successful applicants will be known in early 2017.

### **All-Island Innovation Programme**

The All-Island Innovation Programme aims to promote and encourage innovation across the island. A series of free innovation lectures, seminars and masterclasses are held throughout the year to share international best practice in areas of innovation. The events, which take place in Belfast, Dublin, Galway and Cork each year, are attended by over 1,000 business leaders, policy makers, students and academics from across the island.

The final events of the 2015/2016 All-Island Innovation Programme took place in January and February 2016, with Nigel Biggs (Passionate Innovation) and Professor Julian Birkinshaw (London Business School) delivering events at University College Dublin and Queen's University Belfast respectively. At the conclusion of the programme, a total of 13 events, comprising 10 master classes, 2 specialised seminars and a lecture had taken place. The total attendees were 596, of which 49% came from industry, and the spread of attendees covered 15 counties.

A new programme for 2016/2017 was approved and launched in June 2016. A total of 18 events covering master classes and specialised seminars [will take place in the 12 months up to May 2017.] The first of those events has taken place with Dr George Tsekouras, Brighton Business School - University of Brighton delivering 2 master class events in UCC in September and Dr Bettina von Stamm, Innovation Leadership Forum delivering a further 2 master class events in QUB in October. A further 4 specialised seminars have taken place across University College Cork, National University of Ireland, Galway and University College Dublin.

## **Business Research and Policy Development Activities**

### **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. By Quarter 3 2016 the Business Monitor has built up almost 10 years of data tracking all-island economic indicators such as sales, employment, business outlook and engagement in cross-border trade and exporting.

The Quarter 1 2016 Business Monitor (January-March) highlighted a solid picture of recovery with 39% of firms reporting growth and 49% reporting themselves to be stable. Growth in Ireland's firms is considerably stronger than that in Northern Ireland's (41% compared to 32%). Additionally 51% of businesses which are engaged in cross-border trade or in exporting are growing as opposed to 34% relying on the domestic market. However, the survey showed that there is still work to do to overcome reticence to export with three quarters of businesses on the island not exporting. Of these, 55% either 'don't want to' or feel the cross-border market is 'too far away' and a further 18% are concerned with the costs of entering a new market.

The Quarter 2 2016 Business Monitor Report (April - June 2016) provided an in-depth view of the initial response of firms to the potential implications for businesses across the island of the UK's exit from the European Union. It illustrated, against the backdrop of generally positive business performance, that the outcome of the EU referendum has caught a large majority of businesses on the hop with 96% of businesses in Northern Ireland and 97% of RoI businesses having no plan in place to deal with the consequences of a 'leave' vote.. There has

also been a great deal of volatility and change in the relative importance of key issues facing businesses in comparison to Quarter 1. In terms of wider business performance the picture remains generally positive. In Quarter 2, 86% of businesses in Northern Ireland report that they were stable or growing compared to 93% in Ireland.

The latest quarterly Business Monitor Report (July – September 2016) painted a mixed economic picture that reflects a widespread nervousness and sense of uncertainty among the business community in Northern Ireland and Ireland. While 32% of businesses still say they are growing, this figure is at its lowest level for 36 months. On the other hand there has been a small increase in the numbers reporting that growth is declining pointing to more of a slowing in overall growth than any signs of contraction at this point. Sales figures also show a positive though declining balance.

Rising costs is the biggest issue now facing businesses pointing to the emergence of inflationary pressures. However, for those involved in cross-border trade and export activity currency exchange rates between sterling and the Euro are the biggest issue they face with 45% reporting it as a key issue. Surprisingly the issue is high for both Northern Ireland and Ireland exporters, indicating the strong supply chain linkages across the border.

The palpable sense of uncertainty is captured in the fact that almost the same amount of Northern Ireland businesses think a UK exit from the EU will have a negative impact on cross-border sales (23%) as those

believing it will be positive (20%) in Ireland. However almost half (46%) of firms believe cross-border sales will be negatively impacted with only 9% believing it will be positive.

Uncertainty is further reflected in the fact that 97% of businesses across the island have no plans in place to deal with a UK exit from the EU. 91% of cross-border traders have no experience dealing with tariffs and 80% of businesses still say TV news is their only source of information about Brexit.

The InterTradelreland Business Monitor continued to receive extensive media coverage in Ireland and Northern Ireland in 2016, and has further strengthened its position as the key all-island business survey for policy makers.

### Research Publications

InterTradelreland 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. 2 pieces of research were carried out in 2016. The first piece of research, entitled 'Funding for Growth: The business angels market on the island of Ireland', has been published. It is based on a significant consultation exercise carried out by the research team (led by SQW with academic input from the Universities of Glasgow and East Anglia) through online surveys, in-depth interviews and focus groups involving over 100 individual business angels from both jurisdictions.

With an estimated investment by business angels of between €70m and €120m annually in more than 300 businesses this is a growing and significant source of growth finance. The report details the characteristics of angels, their investment behaviour, their exits (which show success stories) and their involvement with the businesses they invest in. It concludes with 5 strategic recommendations to improve the market for Business Angel investing in Ireland and Northern Ireland. The report also contains specific detail on underpinning actions to progress these recommendations.

A key output of the second piece of research has been a new audit for innovation that has been developed for use for the INTERREG VA Co-Innovate Programme of which InterTradelreland is the lead partner. A working group of relevant agencies (Enterprise Ireland, IDA Ireland, Invest NI and Science Foundation Ireland) has been established to explore the opportunities identified in the 'Mapping the Potential for All-Island Sectoral Ecosystem's report,' published in November 2015.

The group has met on several occasions and agreed that the pharmaceuticals sector held out the most potential for first actions and, subsequently, that an action to raise the profile and visibility of the sector, its' firms, vendors and research centres, on a cross-border basis would be useful.

# CORPORATE PLAN 2014-2016



# Summary Performance Report

InterTradelreland's key strategic goals for the period 2014-2016 are:

- To increase the number of businesses involved in cross-border Trade and Innovation activity by 8,500 (through access to, and exploitation of, InterTradelreland information, advice services and business support programmes).
- To deliver a Return on Expenditure of 9:1.<sup>6</sup>

The performance of each of our Trade and Innovation programmes is aggregated and reported against the following Key Performance Indicators defined for the period 2014-2016:

## Strategic Performance Indicator

[Return on Expenditure<sup>6</sup> 9:1]

Business Value generated through InterTradelreland's North South Programmes.

## Key Performance Indicator 1

Companies engaged in North South Business

## Key Performance Indicator 2

Total Jobs Impact

## Key Performance Indicator 3

First Time Exporters

## Key Performance Indicator 4

First Time Innovators

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<sup>6</sup> Return on expenditure is the ratio of Business Value generated by InterTradelreland programmes against the cost of delivering those programmes.



**Table 1: Cumulative Performance against Business Plan Targets 2014 - 2016**

Reference	Measure	2014-2016 Target	2014-2016 Performance
<b>Strategic Performance Indicator</b>	<ul style="list-style-type: none"> <li>Return on Expenditure (Business Value Achieved)</li> </ul>	9:1	13:1
<b>Key Performance Indicator 1</b>	<ul style="list-style-type: none"> <li>Additional companies engaged in cross border trade and business development</li> </ul>	8,500	8,219
<b>Key Performance Indicator 2</b>	<ul style="list-style-type: none"> <li>Total jobs impact</li> </ul>	3,500	5,436
<b>Key Performance Indicator 3</b>	<ul style="list-style-type: none"> <li>First Time Exporters</li> </ul>	160	328
<b>Key Performance Indicator 4</b>	<ul style="list-style-type: none"> <li>First Time Innovators</li> </ul>	180	234



# AUDITED ACCOUNTS

# Foreword to the Accounts

## for the year ended 31 December 2016

### Background Information

InterTradelreland - The Trade and Business Development Body (the Body) - is a North South implementation body sponsored by the Department for the Economy in Northern Ireland (previously called the Department of Enterprise, Trade and Investment until 8 May 2016), and the Department of Jobs, Enterprise and Innovation in Ireland.

InterTradelreland was established on the 2nd of December 1999 under the Belfast Agreement 1998 and the British-Irish Agreement 1998 establishing implementation bodies, which is underpinned by the North South Co-operation (Implementation Bodies) (Northern Ireland) Order 1999 and the British-Irish Agreement Act 1999. InterTradelreland'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 InterTradelreland's activities is given in the Annual Review of Activities.

### Results for the Financial Year 1 January 2016 - 31 December 2016

The results of InterTradelreland are set out in detail on pages 9-23. The surplus for the period was **£488,664 (€596,316) (2015: deficit £467,185 (€643,643))**.

The surplus is primarily attributable to funding made available by the Department of Jobs, Enterprise and Innovation in Ireland from the agreed 2016 allocation, to provide for currency fluctuations in subsequent years.

### Fixed Assets

Details of movement of fixed assets are set out in Note 8 and Note 9 to the accounts. During 2016 expenditure on Fixed Assets related to Software Licences and Computer Equipment.

### Research and Development

As an economic development agency InterTradelreland does not engage directly in research and development activity on its own behalf. However, evidence based research will continue to underpin the development of the Body's activities. The Body will research and advise on cross-border and economic issues in Ireland and Northern Ireland through the development of the all-island Business Monitor and specific research projects. The Body will also execute a programme of economic and business research.

## Future Developments

### CO-INNOVATE PROGRAMME

In December 2016 InterTradelreland was formally awarded funding of €16.67m from the EU INTERREG VA programme to deliver a cross-border research and innovation initiative - the Co-Innovate programme - which will run until March 2022. The programme aims to increase the proportion of SMEs engaged in cross-border research and innovation in the INTERREG eligible region of Northern Ireland, the Border Region of Ireland and Western Scotland. The Co-Innovate programme will be delivered by a Partnership comprising InterTradelreland as Lead Partner, together with other economic development partners in Scotland, Northern Ireland and Ireland.

### BREXIT

The decision by the United Kingdom to leave the European Union will necessitate changes in the operation of InterTradelreland, which are yet to be determined. The Body will continue to monitor the situation, to ensure the optimal configuration of the organisation within the legislative environment in which it operates. A key issue for the Body will be to ensure that cross-border trade and mutually beneficial business development opportunities continue to grow and be exploited.

### CORPORATE PLAN

The Body has historically prepared Corporate Plans for a three year period, with the most recent approved Plan being the 2014-2016 Corporate Plan. At the date of approval of these accounts, the Body has not yet received guidance from the Sponsor Departments

relating to the Corporate Plan for 2017-2019.

A draft has been prepared and submitted for approval, which refers to the Body's mission to drive competitiveness, jobs and growth, by improving connectivity between businesses and vital resource providers on a cross-border basis through the twin pillars of innovation and trade.

## Future Commitments

As at 31 December 2016, the Body has future programme expenditure commitments potentially amounting to £9,010,594 (€10,524,374). These commitments relate to Letters of Offer and delivery agent contracts of varying durations, which were issued in 2016 or previous years, and which relate to future years. The commitments arise principally in respect of the Acumen and Fusion programmes, and indicate the level of demand for the InterTradelreland suite of programmes.

## Charitable Donations

There were no charitable donations made by InterTradelreland during 2016.

## Business Plan

InterTradelreland's 2016 Business Plan was approved by the North South Ministerial Council on 24 June 2016.

## Important Events Occurring After the Year End

### APPROVAL OF 2017 BUSINESS PLAN

At the date of approval of these accounts, InterTradelreland's 2017 Business Plan had not been formally approved by the Sponsor Departments, Finance Departments or the North South Ministerial Council (NSMC). Approval is unlikely to be received until the 2017/18 Budget for the Northern Ireland Executive has been agreed. The Southern Sponsor Department has continued to fund the Body's activities in the absence of an approved Business Plan. The Northern Sponsor Department has implemented arrangements to enable the payment of funding to the Body. As a result all 2017 funding requested to date has been paid by both Sponsor Departments.

## Board Members

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

Mr Martin Cronin (Chairman) (term completed 12 December 2016)

Mr Ken Nelson (Chairman) (appointed 13 December 2016)

Ms Joanne Spain (Vice Chair) (term completed as Vice Chair on 12 December 2016, re-appointed as Board member 13 December 2016)

Mr Paul O'Sullivan (Vice Chair) (appointed as Vice Chair on 13 December 2016)

Mr Jack Gallagher (term completed 12 December 2016)

Mr Timothy Mayes (term completed 12 December 2016)

Mr Kevin Norton (term completed 12 December 2016)

Ms Rosemary Delaney

Professor Terri Scott

Mr Patrick Joy

Mr Paul Greenfield (re-appointed 12 December 2016)

Mr James Spratt (re-appointed 12 December 2016)

Mr Terry Crossan (re-appointed on 12 December 2016)

Ms Ann Rudden (appointed 13 December 2016)

Mr Micheal Briody (appointed 13 December 2016)

Mr Tim Cairns (appointed 13 December 2016)

The Chief Executive is Mr. Thomas Hunter McGowan. The Chief Executive is responsible for the management and control generally of the administration of the Body.

## Equal Opportunities

InterTradelreland 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 2.5% of our employees have declared that they have a disability under the definitions of the Act.

## Statutory Equality Scheme

InterTradelreland'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

InterTradelreland formally recognises NIPSA for negotiation and consultation.

## Payment to Suppliers

InterTradelreland 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 2,540 (2015: 2,559). Ninety-nine percent of these were paid within the relevant period.

## Health and Safety Policy

InterTradelreland 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.

## Energy Usage

### OVERVIEW OF ENERGY USAGE IN 2016

In 2016, InterTradelreland consumed 260.219 MWh of energy, comprising:

- 92.361 MWh of electricity
- 167.858 MWh of fossil fuels;
- 0 MWh of renewable fuels.

## ACTIONS UNDERTAKEN IN 2016

Measures taken during 2016 to improve energy performance included:

- switching off electrical equipment and lights where possible; and
- lowering the room temperature by 0.25°

## ACTIONS PLANNED FOR 2017

In 2017 and beyond, InterTradelreland intends to further improve energy performance by undertaking the following initiatives;

- conserve use of electricity by switching off equipment. This should save 5MWh annually.
- further reduce the heated room temperature by 0.25°; and
- replacing conventional emergency exit signage with LED technology.



Thomas Hunter McGowan

Chief Executive

Date: 30 MAY 2017



## Statement of Responsibilities

### INTERTRADEIRELAND RESPONSIBILITIES

The Finance Departments have directed InterTradelreland 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, recognised gains and losses, and cash flows for the calendar year. The functions of the Body are exercised by the Board.

In preparing the accounts InterTradelreland is required to:

- Observe the accounts direction issued by the Sponsor Departments, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements 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 InterTradelreland will continue in operation.

### CHIEF EXECUTIVE'S RESPONSIBILITIES

The Chief Executive's responsibilities as the accountable person for InterTradelreland (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.



Thomas Hunter McGowan

Chief Executive

Date: 30 MAY 2017

## Statement on Internal Control

### SCOPE OF RESPONSIBILITY

As Accountable Person, I have responsibility for maintaining a sound system of internal control that supports the achievement of InterTradelreland's policies, aims and objectives, set by the Board, North South Ministerial Council and Ministers, whilst safeguarding the public funds and InterTradelreland's assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money Northern Ireland and Public Financial Procedures.

InterTradelreland is a North/South implementation body sponsored by the Department for the Economy in Northern Ireland (DfE) and the Department of Jobs, Enterprise and Innovation in Ireland (DJEI). The Departments' Accounting Officers are responsible for the propriety and regularity of all resources voted to the Departments by the respective legislatures. In line with existing custom and practice in both jurisdictions, it is the responsibility of the Accounting Officers of the Departments to inter alia:

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

### THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

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 InterTradelreland'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 InterTradelreland for the year ended 31st December 2016 and up to the date of approval of the annual report and accounts, and accords with the Finance Departments' guidance.

### CAPACITY TO HANDLE RISK

The Body has adopted a formal policy on risk management and developed procedures for identifying, assessing and mitigating risks. Summarised reporting formats in the form of a risk register have been developed. 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 complete risk register is formally considered by the full board annually.

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.

## THE RISK AND CONTROL FRAMEWORK

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

The Body has ensured that procedures are in place for verifying that aspects of risk management and internal control are regularly reviewed and reported on. The full risk and control assessment has been completed and reviewed in the year ended 31 December 2016. Risk management has been incorporated into the corporate planning and decision making processes of InterTradelreland.

A revised Risk Management Policy was approved by the Board in January 2015. This is designed to provide a framework that will allow the Body to improve upon the high quality of services already being provided, through a proactive, on-going process of risk assessment, with the objective of improved 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.

## Funding

During 2014 the Northern Sponsoring Department indicated that the level of funding it would make available to the Body was likely to reduce significantly in the future. The Body worked constructively with both Sponsoring Departments to manage this risk. An accommodation involving the utilisation of an amount of £332,618 of Revenue Reserves in 2015 was reached, which facilitated authorised expenditure for 2015 to be maintained at the level set out in the 2014-2016 Corporate Plan. While early indications were that levels of Northern funding available in 2016 would not be increased on 2015 levels, through participation in the Northern Ireland Bidding/Monitoring process the Body secured sufficient additional funding such that the Northern funding levels were adequate to deliver the 2016 Business Plan at the level set out in the 2014-2016 Corporate Plan. However, the Northern Sponsoring Department adopted a position whereby it would only fund the Body once the 2016 Business Plan had been approved by the NSMC. This approval was not secured until 24 June 2016, until which date the entirety of the Body's activities was funded by the Southern Sponsoring Department. Northern funding resumed in June following the approval of the Business Plan, and all funding agreed by both Sponsor Departments had been paid by the year-end.

At the date of approval of these accounts, InterTradelreland's 2017 Business Plan had not been

formally approved by the Sponsor Departments, Finance Departments or the North South Ministerial Council (NSMC). Approval is unlikely to be received until the 2017/18 Budget for the Northern Ireland Executive has been agreed. The Southern Sponsor Department has continued to fund the Body's activities in the absence of an approved Plan. The Northern Sponsor Department has implemented arrangements to enable the payment of funding to the Body. As a result all 2017 funding requested to date has been paid by both Sponsor Departments.

### **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 this process is expected to be completed within the current financial year.

### **Co-Innovate Programme**

In late 2016 InterTradelreland, as Lead Partner of a consortium of economic development organisations, was awarded funding from the EU INTERREG VA Programme to deliver the Co-Innovate Programme for a five year period until 31 March 2022. The delivery of the programme is not expected to impact on the Body's core activities and funding. However, there will be a substantial financing burden placed on the Body as it is anticipated that eligible programme expenditure will be reimbursed some five months after it is incurred.

The Body will put in place a budgetary control and reporting system to manage the cashflow requirements of the programme, and to mitigate any risk of loss of funds to ITI as a result of ineligible expenditure being incurred.

### **Brexit**

The decision by the United Kingdom to leave the European Union will necessitate changes in the operation of InterTradelreland, which are yet to be determined. The Body will continue to monitor the situation, to ensure the optimal configuration of the organisation within the legislative environment in which it operates.

## **REVIEW OF EFFECTIVENESS**

As Accountable Person, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within InterTradelreland, 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.

I have been advised on the implications of the result of the review of the effectiveness of the system of internal controls 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 internal control during the year ended 31st

December 2016 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 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 2016 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 on Internal Control;
- The application of a risk-based three year internal audit programme. During 2016, the Body's internal auditors, ASM, conducted audits in respect of Payroll Costs, Procurement and Contract Management, the Operation and Administration of the Body under its legislative remit, and Programme Commitments. The level of assurance awarded was 'substantial' for the Payroll Costs audit and 'satisfactory' for the other audits. The internal auditors also performed a follow-up review of recommendations made during previous audits undertaken in 2015.
- An annual statement of assurance, in respect of 2016, from the Internal Auditors. They expressed the opinion that 'InterTradelreland's systems in relation to risk management, control and governance were adequate and operated effectively and can provide satisfactory assurance in relation to the effective and efficient achievement of ITI's objectives';

- The application of delegated sanctions agreed by both the respective Sponsoring Departments (DfE and DJEI) and Finance Departments (DPER and DoF);
- The application of the provisions of the Financial Memorandum in conjunction with the above Departments; and
- Taking cognisance of the recommendations and conclusions of evaluations around the Body's own programmes and those of its sister agencies Invest Northern Ireland and Enterprise Ireland 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 Jobs, Enterprise and Innovation, InterTradelreland 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.



Thomas Hunter McGowan

Chief Executive

Date: 30 MAY 2017

## THE CERTIFICATE OF THE COMPTROLLERS AND AUDITORS GENERAL TO THE NORTHERN IRELAND ASSEMBLY AND HOUSES OF THE OIREACHTAS

We certify that we have audited the accounts of InterTradelreland (the Body) for the year ended 31 December 2016 pursuant to the provisions of the North/South Co-operation (Implementation Bodies) (Northern Ireland) Order 1999 and the British-Irish Agreement Act 1999 which require us to audit and certify, in co-operation, the accounts presented to us by the Body. The accounts comprise the Income and Expenditure Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement and the related notes and appendix. These accounts have been prepared under the accounting policies set out within them.

### Respective responsibilities of the Body, the Chief Executive and the Auditors

As explained more fully in the Statement of Responsibilities, the Body is responsible for the preparation of the accounts on the basis set out in the accounts direction in the appendix to these accounts. The Chief Executive, as Accountable Officer, is responsible for ensuring propriety and regularity in relation to the use of public funds. Our responsibility is to audit and certify 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. We conducted our audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require us and our staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes assessment of: whether the accounting policies are appropriate to the Body's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Body; and the overall presentation of the accounts. In addition we read all the financial and non-financial information in the Annual Review of Activities and the Foreword to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our certificate.

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

### Opinion on regularity

In our opinion, in all material respects the expenditure and income reported in the accounts have 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.

## Opinion on the accounts

In our opinion:

- the accounts have been properly prepared 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 directions issued thereunder; and
- the accounts give a true and fair view, in accordance, with those directions, of the state of the Body's affairs as at 31 December 2016 and of its surplus, total recognised gains and losses and cash flows for the year ended.

## Opinion on other matters

In our opinion the information in the Foreword for the financial year for which the accounts are prepared is consistent with the accounts.

## Matters on which we report by exception

We report exception if:

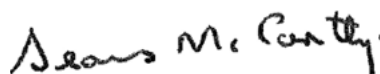
- adequate accounting records have been kept; or
- the accounts are not in agreement with the accounting records; or
- we have not received all of the information and explanations we require for our audit; or
- the information given in the Annual Review of Activities is not consistent with the related account; or
- the Statement on Internal Control does not reflect compliance with applicable guidance on corporate governance.

We have nothing to report in respect of those matters upon which reporting is by exception.



Kieran Donnelly  
Comptroller and Auditor General  
Northern Ireland  
Northern Ireland Audit Office  
106 University Street  
Belfast  
BT7 1EU

5 June 2017



Seamus McCarthy  
Irish Comptroller and Auditor General  
3A Mayor Street  
Spencer Dock  
Dublin 1  
Ireland

8 June 2017

# Income and Expenditure Account

for Financial Year 1 January 2016 - 31 December 2016

INCOME	Notes	2016 £	2015 £	2016 €	2015 €
Revenue Grants from Departments	2	9,086,485	8,299,283	11,088,238	11,337,483
Capital Grant Release from Departments	13	27,157	35,096	33,140	48,352
Other Operating Income	3	761,851	641,540	929,687	883,849
<b>TOTAL INCOME</b>		<b>9,875,493</b>	<b>8,905,919</b>	<b>12,051,065</b>	<b>12,269,684</b>
<b>EXPENDITURE</b>					
Staff Costs and Board Remuneration	4	2,387,425	2,260,447	2,913,375	3,114,219
Depreciation	8 and 9	27,157	35,096	33,140	48,352
Other Operating Costs	6	715,271	798,712	872,846	1,100,387
Programme Costs	7	6,255,889	6,277,590	7,634,062	8,648,635
		<b>9,385,742</b>	<b>9,371,845</b>	<b>11,453,423</b>	<b>12,911,593</b>
<b>Surplus/(Deficit) before tax</b>		<b>489,751</b>	<b>(465,926)</b>	<b>597,642</b>	<b>(641,910)</b>
<b>Corporation Tax Payable</b>	6(b)	<b>(1,087)</b>	<b>(1,258)</b>	<b>(1,326)</b>	<b>(1,734)</b>
<b>Surplus/(Deficit) for the year</b>		<b>488,664</b>	<b>(467,185)</b>	<b>596,316</b>	<b>(643,643)</b>
<b>Surplus/(Deficit) for year transferred to General Fund</b>		<b>488,664</b>	<b>(467,185)</b>	<b>596,316</b>	<b>(643,643)</b>

Statement of Total Recognised Gains and Losses					
Surplus/(Deficit) for the year		488,664	(467,185)	596,316	(643,643)
Actuarial (losses)/gains	15	(3,703,386)	749,307	(4,519,242)	1,032,320
Adjustment to Deferred Pension Funding		3,703,386	(749,307)	4,519,242	(1,032,320)
<b>Total recognised gain/(loss) for the year</b>		<b>488,664</b>	<b>(467,185)</b>	<b>596,316</b>	<b>(643,643)</b>

All amounts above relate to continuing activities.

The notes on pages 59 to 83 form part of these accounts, together with Annex A on page 85.



# Balance Sheet

as at 31 December 2016

FIXED ASSETS	Notes	2016 £	2015 £	2016 €	2015 €
Intangible Assets	8	20,088	5,023	23,463	6,844
Tangible Assets	9	16,812	41,314	19,636	56,290
		36,900	46,337	43,099	63,134
<b>CURRENT ASSETS</b>					
Debtors	10	223,078	186,477	260,555	254,075
Cash at bank and in hand	14	2,235,602	2,053,998	2,611,183	2,798,572
		2,458,680	2,240,475	2,871,738	3,052,647
<b>CURRENT LIABILITIES</b>					
Creditors - amounts due in less than one year	11	1,376,816	1,625,910	1,608,121	2,215,302
Provisions - amounts due in less than one year	12	172,459	193,824	201,432	264,085
		1,549,275	1,819,734	1,809,553	2,479,387
<b>NET CURRENT ASSETS</b>		<b>909,405</b>	<b>420,741</b>	<b>1,062,185</b>	<b>573,260</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES BEFORE PENSIONS</b>		<b>946,305</b>	<b>467,078</b>	<b>1,105,284</b>	<b>636,394</b>
Pension Liabilities	15.2	(11,931,670)	(7,490,117)	(13,936,191)	(10,205,284)
Deferred Pension Funding	15.5	11,931,670	7,490,117	13,936,191	10,205,284
<b>TOTAL ASSETS LESS TOTAL LIABILITIES</b>		<b>946,305</b>	<b>467,078</b>	<b>1,105,284</b>	<b>636,394</b>
<b>CAPITAL AND RESERVES</b>					
General Fund	13	909,405	420,741	1,062,185	573,260
Capital Grant Reserve	13	36,900	46,337	43,099	63,134
		<b>946,305</b>	<b>467,078</b>	<b>1,105,284</b>	<b>636,394</b>



Thomas Hunter McGowan

Chief Executive

Date: 30 MAY 2017

The notes on pages 59 to 83 form part of these accounts, together with Annex A on page 85.

# Cash Flow Statement

for the year 1 January 2016 - 31 December 2016

	Notes	2016 £	2015 £	2016 €	2015 €
<b>Operating Activities</b> Net cash inflow/(outflow) from Operating Activities	14	180,536	(691,649)	(188,693)	(727,038)
<b>Returns On Investments &amp; servicing of Finance</b> Interest Received		2,845	6,412	3,472	8,833
<b>Capital expenditure &amp; financial investment</b> Payments to acquire Fixed Assets	9	(17,720)	(16,858)	(21,624)	(23,225)
<b>Taxation</b> Corporation Tax Paid		(1,777)	(1,355)	(2,168)	(1,867)
<b>Financing</b> Grant Received for Capital Purposes	13	17,720	16,858	21,624	23,225
<b>Increase/(Decrease) in Cash</b>	<b>14.2</b>	<b>181,604</b>	<b>(686,592)</b>	<b>(187,389)</b>	<b>(720,072)</b>

The notes on pages 59 to 83 form part of these accounts, together with Annex A on page 85.

# Notes to the Accounts

## for the year ended 31 December 2016

### 1. Accounting Policies

#### 1.1 ACCOUNTING CONVENTION

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.

#### 1.2 FIXED ASSETS

- a) All Fixed Assets are included at cost or valuation to the body. Intangible assets comprise purchased software.
- b) Depreciation is calculated to write off the cost or revalued amounts of fixed assets within their useful lives. The methods adopted and rates used per annum are as follows:  
  
 Software Licences - 20% Straight Line  
 Office Equipment - 15% Straight Line  
 Fixtures & Fittings - 15% Straight Line  
 Computer Equipment - 33.33% Straight Line  
 Leasehold Improvements - Remainder of life of lease
- c) A capitalisation threshold of £500 has been applied in the accounts during 2016.
- d) The value of the operational assets in use at InterTradelreland 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 Jobs, Enterprise and Innovation to the Body. The Northern Ireland share of the benefits is paid by the Department for the Economy.

Financial Reporting Standard (FRS) 17 covers retirement benefits. The liability at 31 December 2016 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 2016 and comparative figures for 2015.

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 Total Recognised Gains and Losses.

## 1.4 VALUE ADDED TAX

InterTradelreland was not in a position to reclaim VAT. Therefore VAT is included as expenditure and where appropriate capitalised in the value of Fixed Assets.

## 1.5 FOREIGN CURRENCIES

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the Balance Sheet date. Transactions in foreign currencies are recorded at the date of the transactions. Realised gains and losses are taken to the Income and Expenditure Account. Translated amounts have been disclosed in the Income and Expenditure Account, the Cash Flow Statement, the Balance Sheet and the related notes in Euro (€). The closing rate used for the Balance Sheet was £1=€1.1680 (2015:£1=€1.3625) and the average rate used for the Income and Expenditure Account was £1= €1.2203 (2015:£1=€1.3777). 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 creditors (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 and Expenditure Account 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 for revenue purposes is credited to the Income and Expenditure Account 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 and Expenditure Account over the expected useful life of the related assets.

## 2. Grant from the Departments

### 2.1 FINANCIAL YEAR 1 JANUARY 2016 - 31 DECEMBER 2016

	DfE (Northern Ireland) £	DfE (Northern Ireland) €	DJEI (Ireland) £	DJEI (Ireland) €	TOTAL £	TOTAL €
Revenue Grant	2,866,385	3,542,653	6,220,100	7,545,584	9,086,485	11,088,238
Capital Grant	5,907	7,208	11,813	14,416	17,720	21,624
<b>TOTAL</b>	<b>2,872,292</b>	<b>3,549,861</b>	<b>6,231,913</b>	<b>7,560,000</b>	<b>9,104,205</b>	<b>11,109,861</b>

### 2.2 FINANCIAL YEAR 1 JANUARY 2015 - 31 DECEMBER 2015

	DfE (Northern Ireland) £	DfE (Northern Ireland) €	DJEI (Ireland) £	DJEI (Ireland) €	TOTAL £	TOTAL €
Revenue Grant	2,599,601	3,513,043	5,629,682	7,824,440	8,229,283	11,337,483
Capital Grant	5,619	7,742	11,239	15,484	16,858	23,226
<b>TOTAL</b>	<b>2,605,220</b>	<b>3,520,785</b>	<b>5,640,921</b>	<b>7,839,924</b>	<b>8,246,141</b>	<b>11,360,709</b>

The Body was paid grants from money voted by the Northern Ireland Assembly and Dáil Éireann. North South Ministerial Council, with the approval of Finance Ministers, recommended that the grants should be split on a 2:1 basis - DJEI(Ireland)(2) and DfE (Northern Ireland)(1). As a result of reduced availability of funding from DfE in 2015, an accommodation was reached which involved the utilisation of £332,618 of revenue reserves. Consequently this resulted in the 2:1 funding ratio not being met in 2015, with the full knowledge of both Sponsor Departments. The funding ratio was also not met in 2016, due to funding received from DJEI from the agreed 2016 allocation, to provide for currency fluctuations in subsequent years.

### 3. Other Operating Income

Other operating income comprises:

	NOTE	2016 £	2015 £	2016 €	2015 €
Bank interest receivable		2,845	6,412	3,472	8,833
Conference Income		20,839	19,511	25,430	26,880
Net deferred funding for pensions	15.4	738,167	615,617	900,785	848,136
<b>TOTAL</b>		<b>761,851</b>	<b>641,540</b>	<b>929,687</b>	<b>883,849</b>

### 4. Staff Costs & Board Remuneration

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

	2016	2015
Permanent Staff - CEO Office	2	2
Corporate Services	10	11
Policy	9	10
Operations	16	16
Agency/Temporary staff	-	1
<b>TOTAL</b>	<b>37</b>	<b>40</b>

The average monthly number of employees includes new staff that were recruited during the year. The figures do not include student placements.

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

FIXED ASSETS	2016 £	2015 £	2016 €	2015 €
Salaries & Wages	1,405,804	1,392,482	1,715,503	1,918,422
Social Security Costs	115,435	109,579	140,865	150,968
Other Pension Costs - Current service and interest costs	796,730	674,008	972,250	928,581
Amounts payable in respect of Agency/Temporary staff	-	15,654	-	21,567
<b>Total Staff Costs</b>	<b>2,317,969</b>	<b>2,191,723</b>	<b>2,828,618</b>	<b>3,019,538</b>
<b>Board Remuneration</b>	<b>69,456</b>	<b>68,724</b>	<b>84,757</b>	<b>94,681</b>
<b>Total Board Costs</b>	<b>69,456</b>	<b>68,724</b>	<b>84,757</b>	<b>94,681</b>
<b>Total Board and Staff Costs</b>	<b>2,387,425</b>	<b>2,260,447</b>	<b>2,913,375</b>	<b>3,114,219</b>

The accounting policy for pensions is detailed in Note 1.3.

(c) Number of employees whose emoluments for the twelve months ending 31 December 2016 fell within the following bands:

	2016	2015
£40,000 - 49,999	8	10
£50,000 - 59,999	2	2
£60,000 - 69,999	1	1
£70,000 - 79,999	0	0
£80,000 - 89,999	1	1
£90,000 - 99,999	0	0
	<b>12</b>	<b>14</b>

(d) The remuneration of the Chief Executive and Senior Management team, was as follows:

	Salary 2016 £	Salary 2016 €	Salary 2015 £	Salary 2015 €
Chief Executive: Mr Thomas Hunter McGowan	Consent Withheld	Consent Withheld	Consent Withheld	Consent Withheld
Mr Laurence Lord	Consent Withheld	Consent Withheld	Consent Withheld	Consent Withheld
Mr Aidan Gough	62,719	76,536	62,719	86,408
Ms Margaret Hearty	Consent Withheld	Consent Withheld	Consent Withheld	Consent Withheld

The Chief Executive and Senior Management team did not receive benefits in kind during the years 2016 or 2015.



(e) Details of remuneration of the Chairman and Board Members who served during the course of the year were as follows:

Board member fees are paid in the currency of their place of residence, figures in italics are the Sterling £/Euro € equivalent.

	Fees 2016 £	Fees 2016 €	Fees 2015 £	Fees 2015 €
Mr Martin Cronin (Chairman) (term completed 12 December 2016)	9,809	11,970	8,688	11,970
Ms Joanne Spain (Vice Chair )(re-appointed as Board member 13 December 2016)	8,055	9,830	7,135	9,830
Mr Paul O'Sullivan (appointed as Vice-Chair 13 December 2016)	2,102	2,565	-	-
Ms Rosemary Delaney	6,306	7,695	5,585	7,695
Mr Patrick Joy	6,306	7,695	-	-
Professor Terri Scott	5,235	6,388	5,235	7,212
<b>Term completed 12 December 2016</b>				
Mr Timothy Mayes	5,235	6,388	5,235	7,212
Mr Jack Gallagher	5,235	6,388	5,235	7,212
Mr Kevin Norton	6,306	7,695	5,585	7,695
<b>Re-appointed 12 December 2016</b>				
Mr Terry Crossan	5,235	6,388	5,235	7,212
Mr Paul Greenfield	5,235	6,388	-	-
Mr James Spratt	5,235	6,388	-	-
<b>Appointed 13 December 2016</b>				
Mr Ken Nelson (Chairman) (appointed 13 December 2016)	-	-	-	-
Ms Ann Rudden	-	-	-	-
Mr Micheal Briody	-	-	-	-
Mr Tim Cairns	-	-	-	-

In addition a total of £1,799 (€2,195 being the Euro equivalent) was paid to Board members to cover travel and subsistence expenses during the year 2016. This amount is included within travel and subsistence costs disclosed in Note 6.

The Chairman and the Board members did not receive any benefits in kind during the years 2016 or 2015.

(f) Pension details of the Chief Executive and Senior Management team as at 31 December 2016:

	Real increase/ (decrease) in pension and related lump sum at age 60 in 2016 £'000	Total accrued pension at age 60 at 31 December 2016 £'000	Real increase in pension and related lump sum at age 60 in 2015 £'000	Total accrued pension at age 60 at 31 December 2015 £'000
Chief Executive : Mr Thomas Hunter McGowan	Consent Withheld	Consent Withheld	Consent Withheld	Consent Withheld
Laurence Lord	Consent Withheld	Consent Withheld	Consent Withheld	Consent Withheld
Aidan Gough	0 - 2.5 plus (2.5 - 5) lump sum	20 - 24	2.5-5 plus (2.5 -5) lump sum	20-24
Margaret Hearty	Consent Withheld	Consent Withheld	Consent Withheld	Consent Withheld

## 5. Performance Against Key Financial Targets

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

## 6. Other Operating Costs

	2016 £	2015 £	2016 €	2015 €
Travel and Subsistence	10,116	19,907	12,345	27,426
Postage, Stationery, Telephone	31,106	37,827	37,959	52,114
Currency (Gain) / Loss	(88,222)	32,733	(107,658)	45,096
Rent and Rates	233,291	252,804	284,685	348,287
Heat, Light and Power	22,607	25,258	27,587	34,798
Maintenance	42,830	41,465	52,265	57,127
Promotion and Web Development	129,765	72,484	158,352	99,862
Professional Fees	20,155	24,170	24,595	33,299
Meeting Costs	1,780	3,561	2,173	4,907
Internal Audit	9,126	8,826	11,136	12,160
External Audit	22,000	22,000	26,847	30,309
Recruitment Costs	22,261	11,309	27,165	15,580
Insurance	6,929	7,240	8,455	9,974
Pension Admin Costs	10,314	22,359	12,586	30,804
Office Expenses	6,532	5,809	7,971	8,003
Information Systems	150,930	129,125	184,180	177,896
Training	21,452	22,318	26,178	30,747
Equality	-	1,711	-	2,358
General Expenses	1,502	2,296	1,833	3,163
Bank Charges	1,463	1,427	1,785	1,966
Board Meeting Costs	1,917	4,346	2,339	5,987
Cleaning	18,629	15,779	22,733	21,739
Security Costs	38,789	33,958	47,335	46,785
<b>TOTAL</b>	<b>715,271</b>	<b>798,712</b>	<b>872,846</b>	<b>1,100,387</b>

## 6.(b) Corporation Tax Payable

	2016 £	2015 £	2016 €	2015 €
Corporation Tax	1,087	1,258	1,326	1,734

A Corporation Tax liability arose in InterTradelreland in 2016, due to tax payable on the interest on bank account balances.

## 7. Programme Costs

	2016 £	2015 £	2016 €	2015 €
<b>7.1 InterTradelreland Costs</b>				
Trade Activities	1,139,216	1,432,765	1,390,185	1,973,920
Innovation Activities	1,969,809	1,881,754	2,403,758	2,592,492
Business & Economic Research	151,637	222,977	185,043	307,195
<b>7.2 Financial Assistance to Other Organisations</b>				
Fusion	2,168,675	1,852,466	2,646,434	2,552,142
Acumen	561,691	545,755	685,432	751,887
Equity/Venture Capital	240,043	207,195	292,924	285,453
Innova	18,618	126,676	22,720	174,522
Research Connections	6,200	8,002	7,566	11,024
<b>TOTAL</b>	<b>6,255,889</b>	<b>6,277,590</b>	<b>7,634,062</b>	<b>8,648,635</b>

With respect to Note 7.2, Financial Assistance to other Organisations, the amount of £561,691 (2015:£545,755) in relation to the Acumen programme solely represents the amount payable to other organisations from InterTradelreland resources. Under this programme both Invest NI and Enterprise Ireland also provide financial assistance to participating organisations. InterTradelreland has entered into a Memorandum of Understanding with Invest NI and Enterprise Ireland to act as a conduit for funding of the programme. In the year under review, Enterprise Ireland has not availed of this function. InterTradelreland received the amount of £100,000 (2015:£150,000) from Invest NI in respect of Invest NI client organisations being assisted by the Acumen programme.

## 8. Intangible Assets

	SOFTWARE LICENCES £	TOTAL £	TOTAL €
<b>Cost or Valuation</b>			
At 1 January 2016	56,478	56,478	76,951
Additions	16,070	16,070	19,610
Disposals	-	-	-
At 31 December 2016	72,548	72,548	96,561
<b>Depreciation</b>			
At 1 January 2016	51,455	51,455	70,107
Provision for Year	1,005	1,005	1,226
Disposals	-	-	-
At 31 December 2016	52,460	52,460	71,333
<b>Net Book Value at 31 December 2016</b>	<b>20,088</b>	<b>20,088</b>	<b>25,228</b>
<b>Currency Translation Adjustment</b>			(1,765)
<b>Net Book Value at 31 December 2016</b>	<b>20,088</b>	<b>20,088</b>	<b>23,463</b>
<b>Net Book Value at 31 December 2015</b>	<b>5,023</b>	<b>5,023</b>	<b>6,844</b>

## 9. Tangible Assets

	LEASEHOLD IMPROVEMENTS £	FIXTURES & FITTINGS £	2016 OFFICE EQUIPMENT £	2015 COMPUTER EQUIPMENT £	2016 € TOTAL £	2015 TOTAL €
Corporation Tax		1,087		1,258	1,326	1,734
<b>Cost or Valuation</b>						
At 1 January 2016	145,225	77,822	58,646	300,425	582,118	793,136
Additions	-	-	-	1,650	1,650	2,013
Disposals	-	-	-	-	-	-
At 31 December 2016	145,225	77,822	58,646	<b>302,075</b>	<b>583,768</b>	<b>795,149</b>

<b>Depreciation</b>						
At 1 January 2016	142,706	74,422	58,208	265,468	540,804	736,845
Provision	2,519	1,073	304	22,256	26,152	31,913
Disposals	-	-	-	-	-	-
At 31 December 2016	145,225	75,495	58,512	287,724	566,956	768,758

<b>Net Book Value at 31 December 2016</b>	-	<b>2,327</b>	<b>134</b>	<b>14,351</b>	<b>16,812</b>	<b>26,391</b>
<b>Currency Translation Adjustment</b>	-	-	-	-	-	(6,755)
<b>Net Book Value at 31 December 2016</b>	-	<b>2,327</b>	<b>134</b>	<b>14,351</b>	<b>16,812</b>	<b>19,636</b>
<b>Net Book Value at 31 December 2015</b>	2,519	3,400	438	34,957	41,314	56,290

## 10. Debtors (amounts due within one year)

	2016 £	2015 £	2016 €	2015 €
Other Debtors	135,982	92,939	158,827	126,629
Prepayments and accrued income	87,096	93,538	101,728	127,446
<b>TOTAL</b>	<b>223,078</b>	<b>186,477</b>	<b>260,555</b>	<b>254,075</b>

## 11. Creditors (amounts falling due less than one year)

	2016 £	2015 £	2016 €	2015 €
Trade Creditors	359,115	371,226	419,446	505,795
Accruals	1,017,132	1,253,426	1,188,010	1,707,793
Corporation Tax	569	1,258	665	1,714
<b>TOTAL</b>	<b>1,376,816</b>	<b>1,625,910</b>	<b>1,608,121</b>	<b>2,215,302</b>

Included in accruals is an amount of £1,041,113 (2015: £1,127,140) relating to programme accruals, where grant supported activity has occurred, but the related expenditure has not yet been claimed by grantees.

## 12. Provisions

Provision (amounts falling due less than one year)	2016 £	2015 £	2016 €	2015 €
Opening Balance	193,824	424,415	264,085	544,906
Provided in the Year	172,459	193,824	210,452	267,031
Provisions Utilised/Released in the Year	(193,824)	(424,415)	(236,523)	(584,717)
Difference on Foreign Exchange Translation	-	-	(36,582)	36,865
<b>Closing Balance</b>	<b>172,459</b>	<b>193,824</b>	<b>201,432</b>	<b>264,085</b>

The above provisions represent grant liabilities estimated by InterTradelreland 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 FUND

	2016 £	2015 £	2016 €	2015 €
General Fund Opening Balance	420,741	887,926	573,260	1,140,009
Surplus/(Deficit) for the year	488,664	(467,185)	596,316	(643,643)
Difference on Foreign Exchange Translation	-	-	(107,391)	76,894
<b>General Fund Closing Balance</b>	<b>909,405</b>	<b>420,741</b>	<b>1,062,185</b>	<b>573,260</b>

### 13.2 CAPITAL GRANT RESERVE

	2016 £	2015 £	2016 €	2015 €
Opening Balance	46,337	64,576	63,134	82,909
Capital Grants Received	17,720	16,858	21,624	23,225
Less: Transfer to Income & Expenditure	(27,157)	(35,096)	(33,140)	(48,352)
Difference on Foreign Exchange Translation	-	-	(8,519)	5,352
<b>Capital Grants Reserve Closing Balance</b>	<b>36,900</b>	<b>46,337</b>	<b>43,099</b>	<b>63,134</b>

## 14. Notes to Cash Flow Statement

### 14.1 RECONCILIATION OF DEFICIT FOR THE YEAR TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2016 £	2015 £	2016 €	2015 €
Surplus/(Deficit) for the year before tax	489,751	( 465,927)	597,642	( 641,909)
<b>Adjustment for Non-Cash Transactions</b>				
Depreciation	27,157	35,096	33,140	48,352
Transfer from Capital Grant Reserve	( 27,157)	( 35,096)	( 33,140)	( 48,352)
<b>Adjustment for Movements in Working Capital</b>				
(Increase) in debtors	( 36,601)	( 74,335)	( 6,480)	( 110,096)
(Decrease) in creditors/provisions	( 269,769)	( 144,976)	( 668,992)	( 43,094)
Bank Interest Receivable	( 2,845)	( 6,412)	( 3,472)	( 8,833)
Difference on Foreign Exchange Translation			( 107,391)	76,894
<b>Net cash inflow/(outflow) from operating activities</b>	<b>180,536</b>	<b>( 691,649)</b>	<b>( 188,693)</b>	<b>( 727,038)</b>

### 14.2 RECONCILIATION OF NET CASH OUTFLOW TO MOVEMENT IN NET DEBT

	2016 £	2015 £	2016 €	2015 €
Cash at Bank and in hand at 1 January	2,053,998	2,740,590	2,798,572	3,518,644
Net Cash inflow/(outflow)	181,604	( 686,592)	( 187,389)	( 720,072)
<b>Cash at Bank and in hand at 31 December</b>	<b>2,235,602</b>	<b>2,053,998</b>	<b>2,611,183</b>	<b>2,798,572</b>

## 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 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 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 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 2016 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 2016. The principal assumptions used to calculate scheme liabilities are:

	31 Dec 2016	31 Dec 2015	31 Dec 2014
<b>Discount rate</b>			
Northern Ireland	2.70%	3.70%	3.60%
Ireland	1.90%	2.65%	2.10%
<b>Rate of increase in Consumer Price Index</b>			
Northern Ireland:	2.30%	1.90%	2.00%
Ireland	1.50%	2.00%	2.00%
<b>Average rate of increase in pensions</b>			
Northern Ireland	2.30%	1.90%	2.00%
Ireland	1.50%	2.00%	2.00%
<b>In line with salary increases</b>			
Northern Ireland	2.30%	2.90%	3.00%
Ireland	3.00%	3.00%	3.00%
<b>Average expected future life at age 65 for</b>			
Male currently aged 65	22.20	21.90	22.10
Female currently aged 65	24.20	23.80	24.30
Male currently aged 45	23.90	23.10	23.50
Female currently aged 45	26.10	25.30	25.80

**15.2 MOVEMENT IN NET PENSION LIABILITY DURING THE FINANCIAL YEAR**

	2016 £	2015 £	2016 €	2015 €
Opening value of scheme's liabilities	7,490,117	7,623,807	10,205,284	9,788,206
Service cost	530,493	393,519	647,361	542,151
Interest on scheme liabilities	266,237	280,489	324,889	386,430
Actuarial loss/(gain)	3,703,386	(749,307)	4,519,242	(1,032,320)
Benefits paid	( 58,563)	(58,391)	(71,464)	(80,445)
Difference on foreign exchange translation			(1,689,121)	601,262
<b>Net Pension Liability at 31 December</b>	<b>11,931,670</b>	<b>7,490,117</b>	<b>13,936,191</b>	<b>10,205,284</b>

**15.3 ANALYSIS OF THE MOVEMENT IN DEFICIT IN THE PLAN DURING THE PERIOD IS AS FOLLOWS**

	2016 £	2015 £	2016 €	2015 €
Experience loss	702,629	118,307	857,418	162,992
Loss/ (Gain)on change of financial assumptions	3,000,757	(867,614)	3,661,824	(1,195,312)
<b>Actuarial loss/(gain)</b>	<b>3,703,386</b>	<b>(749,307)</b>	<b>4,519,242</b>	<b>(1,032,320)</b>

## 15.4 INCOME & EXPENDITURE ACCOUNT ANALYSIS

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

	2016 £	2015 £	2016 €	2015 €
Service cost	530,493	393,519	647,361	542,151
Other finance cost	266,237	280,489	324,889	386,430
Benefits paid during the year	(58,563)	(58,391)	(71,464)	(80,445)
	<b>738,167</b>	<b>615,617</b>	<b>900,786</b>	<b>848,136</b>

Analysis of the current pension service costs is as follows:

	2016 £	2015 £	2016 €	2015 €
Service cost	530,493	393,519	647,361	542,151
Other finance cost	266,237	280,489	324,889	386,430
	<b>796,730</b>	<b>674,008</b>	<b>972,250</b>	<b>928,581</b>

Contributions received from members of the North/South Pension Scheme in 2016 amounted to £89,282 (€108,951) (2015: £81,300 (€112,007)). 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, InterTradelreland 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, InterTradelreland 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-Department 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 2016 amounted to £11,931,670 (€13,936,191) (2015: £7,490,117 (€10,205,284))

	2016 £	2015 £	2016 €	2015 €
Opening balance at 1 January	7,490,117	7,623,807	10,205,284	9,788,206
Increase/(Decrease) in Deferred Funding of Pension Asset	4,441,553	(133,690)	5,187,734	(182,153)
Difference on foreign exchange translation	-	-	(1,456,827)	599,231
	<b>11,931,670</b>	<b>7,490,117</b>	<b>13,936,191</b>	<b>10,205,284</b>

## 15.6 HISTORY OF DEFINED BENEFIT LIABILITIES

	2016 £	2015 £	2014 £	2016 €	2015 €	2014 €
Deficit as at 31 December	11,931,670	7,490,117	7,623,807	13,936,191	10,205,284	9,788,206
Experience loss/(gain)	702,629	118,307	(148,282)	857,418	162,992	(183,944)
Percentage of Scheme Liabilities	(5.9%)	(1.6%)	1.9%	(5.9%)	(1.6%)	1.9%

The cumulative actuarial loss recognised in the Statement of Recognised Gains and Losses amounts to £1,904,089 (€2,323,560).

## 16. Capital Commitments

### 16.1 CAPITAL COMMITMENTS AT 31 DECEMBER 2016 FOR WHICH NO PROVISION HAS BEEN MADE

	2016 £	2016 €
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 for at the year-end.

	2016 £	2016 €
Total	9,010,594	10,524,374

	Commitments at 31 December 2016 for Expenditure in 2017	Commitments at 31 December 2016 for Expenditure in 2018	Commitments at 31 December 2016 for Expenditure in or after 2019	Total
Profile of Other Commitments by year - Sterling	£ 5,225,906	£ 1,775,297	£ 2,009,391	£ 9,010,594
Profile of Other Commitments by year - Euro	€ 6,103,858	€ 2,073,547	€ 2,346,969	€ 10,524,374

## 17. Contingent Liabilities

There were no contingent liabilities as at 31 December 2016.



## 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 Jobs, Enterprise and Innovation in Ireland. The above named departments are regarded as related parties. During the year InterTradelreland has had various transactions with these departments and with other entities for which the Department for the Economy or the Department of Jobs, Enterprise and Innovation are regarded as a parent Department. There were also transactions with Central Procurement Directorate, 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. There were no transactions during the year with such organisations.

#### (b) Non-Beneficial Interests

The Body also works with many public/private funded organisations with whom joint projects and transactions have been undertaken during the year. No Board members or key management staff held official positions in such organisations.

Mr Ken Nelson was appointed as Chairman of the Body on 13 December 2016. Mr Nelson is a Board Member of Invest Northern Ireland, which funds

businesses participating on the Acumen programme, as detailed in Note 7 of these accounts. He is also CEO of LEDCOM, a member organisation of Enterprise Northern Ireland, which is participating in the delivery of the Co-Innovate Programme.

### (iii) North South Pension Scheme

InterTradelreland 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 2016, a total of £229,359 (2015:£263,830) was recharged to the other North/South Bodies in respect of these pension administration costs.

## 19. Obligations Under Leases

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

	Land & Building				Other			
Operating Leases which Expire	2016	2016	2015	2015	2016	2016	2015	2015
	£'000	€'000	£'000	€'000	£'000	€'000	£'000	€'000
Within one year	-	-	133	181	-	-	2	3
In two to five years	-	-	-	-	-	-	-	-
Over five years	96	112	-	-	-	-	-	-
<b>Total</b>	96	112	133	181	-	-	2	3

The annual commitments are stated exclusive of VAT. In June 2016, the Body entered into a new lease in respect of the Body's office premises. The term of the lease is 10 years from 1 October 2016 to 30 September 2026, with an option to extend for a further 5 year period.

## 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 that InterTradelreland is financed, the Body is not exposed to the degree of financial risk faced by business entities. InterTradelreland 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

InterTradelreland'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.

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

## 22. Third Party Assets

There were no third party assets held by InterTradelreland at 31 December 2016.

## 23. Post Balance Sheet Events

At the date of approval of these accounts, InterTradelreland's 2017 Business Plan had not been formally approved by the Sponsor Departments, Finance Departments or the North South Ministerial Council (NSMC). Approval is unlikely to be received until the 2017/18 Budget for the Northern Ireland Executive has been agreed.

The Southern Sponsor Department has continued to fund the Body's activities in the absence of an approved Business Plan. The Northern Sponsor Department has implemented contingency arrangements to enable the payment of funding to the Body. As a result all 2017 funding requested to date has been paid by both Sponsor Departments.

The Body has historically prepared Corporate Plans for a three year period, with the most recent being the 2014-2016 Corporate Plan. At the date of approval of these accounts, the Body has not yet received guidance from the Sponsor Departments relating to the 2017-2019 Corporate Plan.

## 24. Approval of Accounts

The accounts were approved by the Board on 30 May 2017.



# Appendix A

## InterTradelreland

ACCOUNTS DIRECTION GIVEN BY THE NORTHERN IRELAND DEPARTMENT FOR THE ECONOMY AND THE IRISH DEPARTMENT OF JOBS, ENTERPRISE AND INNOVATION WITH THE APPROVAL OF THE FINANCE DEPARTMENTS, (DEPARTMENT OF FINANCE AND DEPARTMENT OF PUBLIC EXPENDITURE AND REFORM) IN ACCORDANCE WITH THE NORTH/SOUTH COOPERATION (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 2016 and subsequent calendar years in accordance with:

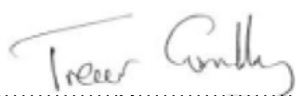
- a) The North/South Implementation Bodies Annual Reports and Accounts Guidance;
- b) other guidance which the Finance Departments may issue from time to time in respect of accounts which are required to give a true and fair view;
- c) any other specific disclosures required by the sponsor Departments;

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



Date 25 May 2017

Department of Jobs, Enterprise and Innovation

Dermot Mulligan



Date 25 May 2017





InterTradelreland 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.

InterTradelreland is a powerful resource for business growth, helping SMEs through a strong mix of business intelligence, funding support and meaningful contacts.

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

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Published September 2017